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NEWS SUMMARY

GENERAL

Britain warns U.S. on Concorde deal

Britain has told the U.S. it will not conclude a new Bermuda civil aviation agreement unless it receives assurances from the U.S. Government that Concorde *will be permitted* to use Dulles Airport in Washington.

Mr. Edmund Dell, Trade Secretary, made this clear when he met Mr. Brock Adams, U.S. Transportation Secretary, yesterday.

On Thursday, a New York court will consider, and perhaps rule on, the question of Concorde landing rights at Kennedy Airport. But the British have not attempted to link New York with renegotiation of the Bermuda treaty. Concorde routes under review, Page 10

Callaghan move

Mr. Michael Foot, Leader of the Commons, said he would have talks with the Prime Minister when Mr. Callaghan returned from his visit to Germany about the future of the two London evening newspapers. Back Page; Parliament, Page 14

Slater decision

The Singapore Government's appeal against the refusal of the Chief Metropolitan Magistrate to order the extradition of Mr. Jim Slater, the financier, on charges arising out of the affairs of Haw Par Brothers International, was dismissed in the High Court. Page 5

McGarvey dies

Sir Dan McGarvey, president of the Boilermakers' Amalgamation and this year's chairman of the TUC, has died, aged 57, after a long illness. He was knighted in the New Year honours list. Obituary Page 11

Wife cleared

Mrs. Valerie Pulling was found not guilty at Lincoln Crown Court *of murdering her country* squire husband after years of domination and ill-treatment. The judge directed that she be discharged.

Danish riots

Two thousand demonstrators battled with police outside the offices of Berlingske Tidende, the Copenhagen newspaper, which published an emergency edition this week without the help of normal printing staff, who have been on strike since January 30. Police said that the riots were the worst in Denmark since 1970. Page 4

Fans jailed

The Cardiff stipendary magistrate jailed two teenage soccer fans for a month *for* using threatening words at Ninian Park stadium last month when Cardiff played Plymouth Argyle. He jailed for a fortnight a rugby fan who admitted assaulting a police constable.

Briefly...

Sir William Ryland is to retire as chairman of the Post Office at the end of October, two months earlier than expected.

The QE2 is to have her annual refit at a U.S. yard instead of by Vosper Thorneycroft at Southampton.

Old Bailey: When 17 coloured youths appeared for trial on charges arising from last year's Notting Hill carnival, 103 out of 125 potential jurors were challenged.

Mr. Ernest Perry, the 69-year-old Labour MP for Battersea S., said he would not stand at the next General Election because he had been "hounded out" by Left-wingers. Page 14

West Germany's ruling Social Democratic Party appears to be moving towards a trial of strength with its Left-wing over Herr Klaus-Uwe Benneter, chairman of the Young Socialists and an avowed Marxist. Page 4

Mobility allowance for the disabled will be raised by £2 to £7 a week from November. Page 14

BUSINESS

Equities firm; gilts and gold fall

● EQUITIES rose cautiously. The FT 30-share index gained 2.0 to 421.0 while the All-Share was 0.1 per cent. *higher* at 176.78.

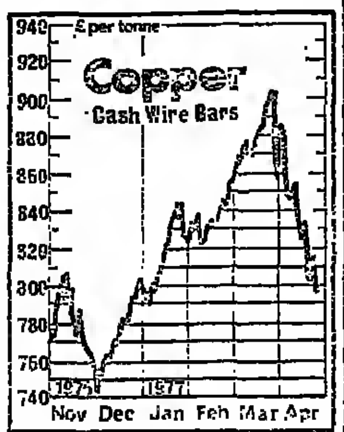
● GILTS were dull and closed with losses ranging to ¾. The Government Securities index fell 0.23 to 68.33.

● GOLD fell $1¼ to $147½.

● STERLING was unchanged at $1.7192½: its weighted index improved to 61.8 (61.7). The dollar's weighted depreciation improved to 0.97 (1.05) per cent., while the Swiss franc's appreciation fell to 42.57 (43.04) per cent.

● WALL STREET was 0.68 up at 915.20 near the close.

● METAL *prices continued to* drift downwards on the London Metal Exchange, with copper



setting the trend. Cash wire bars were £5.75 down at £979 a tonne, below £800 for the first time since January. Page 30

Unemployment up slightly

● UNEMPLOYMENT in the U.K. rose slightly last month. The total has hardly risen since early autumn, contrary to *most* economic forecasts. The French Prime Minister presented a 1480m. plan aimed at reducing unemployment to the National Assembly. Back Page

● C. A. PARSONS, the Newcastle *turbine-generator manufacturers*, announced 1,600 redundancies. Back Page

● KUWAIT Investment Office has built up several substantial stakes in leading British financial institutions. Back Page, More disclosures Page 25

● EARNINGS of directors and executives rose by an average 2 per cent. in the year to January, compared to an 11.8 per cent. national average, according to a British Institute of Management survey. Management Page 19

● BRITISH shipyards secured orders for 18 merchant ships totalling 36,700 gross tons in the first quarter, well below the level required to keep the industry at its present size. Page 10. Japanese orders in the 1976 fiscal year were 6.3m. gross tons, involving 481 ships. Page 7

● WEST GERMAN consortium led by Krupp is to sign a £37.5m. coal gasification contract with Poland shortly. Trade between China and India, suspended 15 *years ago, is expected to be re*sumed at the end of the year Page 7

COMPANIES

● CHRYSLER U.K. incurred a loss of £8.2m. in the first quarter, according to Detroit head office.

● BROOKE BOND LIEBIG is raising £19.8m. and is forecasting increased pre-tax profit for the year to June 1977 of at least £45m. (£24.6m.). Page 22 and Lex

● SEARS HOLDINGS pre-tax *profit* for the year to January 31 fell to £42.47m. (£49.12m.) due to losses in the U.S. and sharp falls in profitability in engineering and the William Hill betting shop chain. Page 23 and Lex

● RECKITT & Colman directors report that the group is in a very strong financial position. Page 23

CHIEF PRICE CHANGES YESTERDAY

Prices in pence unless otherwise indicated

RISES

AVP	71	+ 6½
Assc. Newspapers	175	+ 10
Avana Group	33½	+ 2½
Bibby (J.)	145	+ 12
Camelia Invs.	230	+ 6
Davies and Newman	102	+ 16
Grampian TV "A"	27	+ 3
Hawker Siddeley	550	+ 14
Hopkinsons Holdings	81	+ 5
Ladbroke Group	117	+ 3
Land House Prop.	97½	+ 32½
Land Secs.	170	+ 9
Liberty	700	+ 50
Newarthill	93	+ 6
Norwest Holst	74	+ 8
Redfearn Nat. Glass	123	+ 5
Simon Eng.	170	+ 6
Thomson Org.	512	+ 17
Unilever	472	+ 12
United Real Prop.	206	+ 12
Vickers	171	+ 10
Ruo Estates	112	+ 7
Aver Hitam	320	+ 10
Whim Creek	75	+ 15

FALLS

Treasury 14pc '82	£114⅛	− ⅝
Treasury 13¼pc '97	£102⅜	−
Common Bros.	272	− 10
Finlay (J.)	220	− 9
Willis Faber	227	− 11
Woodside-Burmah	79	− 6
Blyvoor	280	− 15
Cons. Gold Fields	156	− 6
Free State Geduld	912	− 45
Kinross	290	− 10
Welkom	142	− 1[illegible]

Swiss banks offer Crédit Suisse £688m. standby aid

BY JOHN WICKS, Zurich, April 26

Switzerland's banking community rallied round Crédit Suisse to-day in the face of what will probably prove the most serious single loss of a Swiss Bank since the war with a standby credit of Sw.Frs.3bn. (£688m.).

The offer, by the National Bank (Switzerland's central bank), the Swiss Bank Corporation and Union Bank of Switzerland was made after urgent consultations called by the National Bank.

Crédit Suisse denied to-night that there had been a run on the bank, saying that it had noticed no unusual withdrawal of deposits.

The news of the standby credit for Crédit Suisse — one of the country's big three banks — *follows* yesterday's announcement of the arrest of three senior officers at the bank's Chiasso branch in the Italian part of Switzerland.

It came early to-day after the public prosecutor of the district of Sottoceneri in Canton Ticino had said that Sw.Fr.2.2bn. had been involved in "improper direction" of clients funds held in trust to the Liechtenstein-based company — Texon-Finanzanstalt.

The National Bank and the two leading commercial banks clearly felt it necessary to show their solidarity with Crédit Suisse and make it clear that even a loss equal to the entire Sw.Fr.2.2bn. would be covered.

In fact, the amount is partially offset by substantial assets owned by the Italian groups — the Winefood wine and restaurant concern, the Albarella-Mare resort development and the Ampaglas plastics company—in which Texon invested the money.

The fact that the huge standby loan is designed to holster the Swiss banking community's sagging prestige is underlined by the fact that Credit Suisse to-day said "that it was very grateful for the offer but did not need the loan. It will for some considerable time be unable to assess just how great its net loss is likely to be.

Weakened

The bank's shares finished the day Sw.Frs.250 lower for bearer stock from yesterday's close, though there was a certain improvement during the afternoon.

The bearer stock, however, now stands at only Sw.Frs.2,100, as compared with Sw.Frs.2,750 before the first announcement of the Chiasso loss. The Swiss stock exchange fell 4.6 points, the sharpest decline since the oil crisis.

The Swiss franc also weakened this morning and despite an improvement in the afternoon closed at Sw.Frs.2.53 per dollar, as against Sw.Frs.2.5180 yesterday; this, and a general weakness on the stock market, was due at least in part to the Chiasso affair.

M. Georges-Andre Chevallaz, the Swiss Finance Minister, said to-night that the Government would have to determine whether any changes should be made to Swiss bank law.

No new estimate of actual losses has been put out by Crédit Suisse.

Auditing of the Texon company is likely to take a very *long time.* The bank *re-iterates* that it will be able to cover the losses involved and yesterday even went on to say that its dividend policy would not change as a result.

The bank added that Chiasso branch clients will not lose their deposits held in trust—though it will now introduce the reservation that guarantee will only apply to "bona fide" clients.

Credit offer, Page 26

New EEC deal holds food price rises to 3½%

BY ROBIN REEVES LUXEMBOURG, April 26.

ONLY LIMITED food price increases will result directly from the EEC farm prices package *successfully concluded here this morning.*

This is after a bitter last-minute haggle over a special EEC-financed 8½p a pound butter subsidy for the U.K. to cushion the Common Market-inspired rise in butter prices over the coming year.

In what turned out to be one of the most modest EEC farm price settlements for several years, the rise in common EEC farm prices was kept down to only 3½ per cent. The U.K. is *to devalue the Green Pound by* 2.9 per cent.

The new farm deal becomes operative on Sunday and lasts for the next 12 months.

Also on Sunday, food prices will be affected by a further transitional step towards common farm prices with the EEC under the accession treaty.

The immediate impact of the farm deal and the transition step on U.K. food prices will be about 2.5p to the £. A further 2p will be added by the last transitional step on January 1 next year.

The package finally agreed by the Council of Ministers was only marginally different from the one blocked by Mr. John Silkin, U.K. Minister of Agriculture, last month, to the anger of the rest of the Community.

But, later to-day there were few recriminations and even grudging acceptance that Britain had, after all, played the game, albeit very toughly, by compromising on its original demand for a 20p a lb butter subsidy and even the final bid of 10p

Windfall

Herr Joseph Ertl, German farm Minister, said that on the face of it, the Council could have achieved the same result four weeks ago but that was politics.

Sir Henry Plumb, president of the National Farmers Union and the European Farmers organisation, described the butter subsidy as a Silkin triumph. But the cost had been the souring of the Common Agricultural policy.

As Mr. Silkin explained, the special butter subsidy would actually reduce U.K. shop prices in the immediate future. Because of the high level of stocks in the U.K. He suggested the cut could be as much as 5p a pound, on the present price level of 52p-54p a pound.

It was an advantage for the U.K. housewife, which more than offset the effect of the 2.9 per cent. devaluation of the green pound.

The system aims to offset the effects of currency instability on a unified EEC market in farm products. In practice, it has provided the U.K. with a windfall protection against the full impact of sterling's decline on food prices.

But the butter subsidy will not be enough to offset next January's transition step towards full EEC price levels, laid down in Britain's EEC Accession Treaty.

The deal confirms scope for a 6p a gallon increase in the milk producer price. This could lead to a ½p or 1p per pint retail milk price rise.

A likely rise in another dairy product, cheese, could be around 2p a lb.

In the cereal sector, the prospective rise in farm guarantees for all reasons will be 23 per cent. for wheat and 24 per cent. for barley.

Government expects £5.5bn. in three years from North Sea oil

BY RAY DAFTER, ENERGY CORRESPONDENT

THE Government expects to receive £5.5bn. in tax and royalties from the North Sea over the next three years as oil production builds up more quickly than forecast.

After 1980, when Britain should be self-sufficient in energy, the revenue from royalties, petroleum revenue tax and corporation tax should run at the annual rate of about £4.25bn.

The estimates are contained in the Department of Energy's latest "Brown Book" of offshore statistics which show that Britain's total oil and gas reserves could be worth more than £200bn. at present values. The oil is one of the most sought-after types in the world, able to command a price of more than $14 a barrel.

Question mark

Although output failed to meet Government expectations last year because of delays in the development of a number of fields, the industry should more than catch up this year thanks, in particular, to rising production from British Petroleum's Forties Field, the Shell/Esso Group's Brent discovery and Occidental consortium's Piper Field.

The North Sea is expected to yield between 40m. and 45m. tons of oil this year, about half the U.K.'s present demand and several million tons more than forecast last year. By 1978 output should be nearer 60m.-70m. tons.

A question mark hangs over production levels in the first half of the 1980s. The Energy Department has *maintained* its estimate of 100m. to 150m. tons a year, but the level will depend on how fast new fields are developed.

Fields such as Mesa's discovery in the Moray Firth and British Petroleum's Magnus still have to be declared commercial. Their development programme will be influenced by the Government's depletion policies as yet undecided and possible new anti-pollution and safety criteria.

Dr. Dickson Mabon, Minister of State for Energy, said yesterday that the Government had started discussions with the U.K. Offshore Operators' Association to review the implications of the Ekofisk blow-out.

The desirability of building seperate offshore accommodation platforms and the possible need for more safety and clean-up equipment were among topics discussed.

The Minister said that within the next 14 months the offshore industry could order between three and five production platforms.

● Texaco has raised the wholesale price of petrol by 1p a gallon, which could add 1½p a gallon to pump prices.

Details, Page 8

Vapour clouds stop Ekofisk capping

By Kevin Done

STAVENGER, April 26.

HOPES of an early return to production from undamaged wells in the Ekofisk field were dashed to-day when dangerous clouds of gas and vapour began *drifting towards* the centre of the complex.

A sudden drop in wind caused the team to abandon the platform and postpone the capping operation on the blown-out well.

Production had been resumed at 2 a.m. after assurance from the company to the Norwegian authorities that the oil and gas spewing from the blown-out well on the Bravo platform presented no dangers to the two producing platforms, Alpha and Charlie.

Eleven hours later changes in the weather brought production to a halt and forced work on the damaged Bravo well head to be abandoned yet again.

The wind speed dropped causing oil to shower directly *on to the Bravo platform.*

Pressure in the rogue well is so great that a fountain of oil and gas is rising through the drill deck area and up as high as the top of the derrick structure.

Instead of being blown clear of the production complex, as was the case earlier, oil and gas vapours began drifting towards the Ekofisk centre, one and a half miles to the south.

Dangers of explosion were so great from the gas being flared off from one stack in the centre complex that Phillips Petroleum was forced again to halt oil production which had been proceeding at a rate of about 150,000 barrels a day.

More seriously, Phillips' engineers and the two blow-out experts from the Red Adair organisation had to quit the Bravo platform because the showering curtain of oil and concentrations of gas made working conditions too dangerous.

The giant pipe-laying barge, *Choctaw*, which is acting as the operational supply base beside

Continued on Back Page

Norway investigations to start immediately, Page 4

The Meteorological Office last night issued the following forecast for the Ekofisk field: Wind: south-west moderate or fresh, increasing fresh or strong and veering west. Weather: rain soon turning to showers. Visibility: good, occasionally moderate in rain or showers.

IMF is near exchange rate agreement

BY DAVID BELL WASHINGTON, April 26.

THE INTERNATIONAL Monetary Fund is close to agreement on a set of far-reaching guidelines under which it will exercise its new authority to monitor the exchange rate policies of member-countries.

A final draft of the guidelines will be considered by the Fund's Interim Committee at its meeting in Washington this week, and it is likely to be approved. Members agreed in Jamaica last year to give the IMF broad exchange rate surveillance powers.

If approved the guidelines would greatly strengthen the hand of the Fund and, in particular, give its managing director a central role in "policing" world exchange rates, a role which some members may be less than happy to see him playing.

Among other points, the draft document outlines various factors that might give the Fund cause for concern about the exchange rate policies of a member.

It suggests that countries might like to discuss with the managing director in advance "important changes which (they) contemplate in their exchange arrangements or their exchange rate policies."

Although the wording of the guidelines leaves some room for manoeuvre, it clearly reflects the increasing importance that the Fund is attaching to the need for better control of world exchange rate movements.

This has already led to firm but discreet pressure on Germany and Japan to adjust their currencies to reflect the strength of their economies.

The Fund staff have also made it clear that they are concerned that weaker countries like Britain and Italy may not have let their currencies fall far enough yet to reflect the continuing effect of inflation on their competitive positions.

Competitive

The document sets out three *basic principles: The first and* most important of these is that "a member shall avoid manipulating exchange rates or the international monetary system in order to prevent effective balance of payments adjustment to gain an unfair competitive advantage over members."

The other two principles call on members to intervene to correct short-term "disorderly conditions" and to take account of the "interests of other members."

The document lays down a number of criteria to be used in deciding whether a member-country has complied with these principles.

It says that the Fund will be concerned by "protracted large-scale intervention in one direction in the exchange market" and by signs of an "unsustainable level of official or quasi-official borrowing or excessive and prolonged short-term official or quasi-official lending for balance of payments purposes."

The document asserts that the Fund should become concerned when "the behaviour of the exchange rate appears to be unrelated to underlying economic and financial conditions, including *factors affecting* competitiveness and long-term capital movements."

In any analysis of this kind, account would also be taken of the overall economic policies of a member.

Members would have 30 days to advise the fund how they intend to meet these obligations once the guidelines have been approved and the amendment to the fund's articles has been ratified by member-countries.

Consultation

Exchange rate consultations would be held with every member once a year.

If the managing director considers "that a member's exchange rate principles, he shall raise the matter confidentially with the member and shall conclude promptly whether there is a question of the observance of the principles."

Should the managing director consider that the principles have *been* breached, he has *the* power to raise the issue in the executive Board.

Although the guidelines provide for no outright sanctions against an errant member, it is clear that a breach of these principles would pre-dispose the IMF to take an adverse view of any future request for loan assistance.

Rethink urged on postage

THE BRITISH Printing Industries Federation has urged the Post Office to reconsider proposed increases in second-class post and overseas printed papers rates. *They* say the latter increase could seriously affect exports of books and other printing products.

£ in New York

—	April 26	Previous
Spot	$1.7195-7195	$1.7194-7195
1 month	0.54-0.50 dis	0.53-0.49 dis
3 months	1.73-1.68 dis	1.63-1.57 dis
12 months	7.40-7.30 dis	7.15-7.05 dis

FEATURES

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LOMBARD

Who's in and who's out

BY SAMUEL BRITTAN

MOST PEOPLE who follow economic debates are, whether they admit it or not, far more interested to know why certain policies and ideas are adopted, whose advice counts and why, than they are in contorted arguments for and against the theories themselves. This popular instinct is far from misguided. Market economists and monetarists too often protest too much about their scientific rigour and freedom from value judgments. If you tell me where an econometric investigation has been carried out, I can predict its results much better than anyone can predict the course of the actual economy. Moreover, in the world of affairs, it is far more important to be in the swim than to be right.

Robin Pringle, the editor of the Banker, has therefore performed a service by analysing both the utterances of the economic establishment "and the social environment in which policy is formulated," in a paperback entitled *The Growth Merchants*, published this week. Mr. Pringle writes of a drama in which "the dominant ideology was neo-Keynesianism"; the institutions were "the Treasury, the Bank of England, the Press and members of the Cambridge University economics faculty."

Mr. Pringle does not confine himself to printed sources, but describes the "informal, face-to-face discussion among top people," the "quiet gatherings at Brown's Hotel" and the "mumbled remarks over lunch at the Reform."

The author stresses that no conspiracies were hatched. On the contrary, "most of the traffic in messages is quite banal in content. Most of all consists of gossip or talk about people. The real function of these circles is to keep everybody up-to-date with what is in."

'The circles'

The publication cannot be expected to be popular among these "circles": and they can be expected to react by the mildly deprecatory remark and the half-pitying shrug, designed to minimise attention. Even its publishers, Sir Keith Joseph's *Centre for Policy Studies*, did not for a time know what to make of a piece of economic writing in which readers were "invited to suspend disbelief, as if at a play." All of which means that the detached reader should both enjoy the booklet and learn a great deal.

The indictment it contains is pretty devastating. Devotees of the "growth bug" in the 1960s rarely even had the courage of their convictions. The need to devalue, which was the key to the growth policies of the time, was rarely stated openly; and I am singled out as an exception on this count, although not from the general indictment of "growth buggery" (in the middle 1960s). Mr. Pringle lists the rationalisations of the Treasury for its part in starting—and "stopping"—the successive dashes for growth—remarking that the commonplace explanation that they increased the role of public sector managers would strike the English as being in "bad taste," and indeed incomprehensible.

'Bad taste'

But Mr. Pringle's real "bad taste" is in showing by means of a succession of extracts how so many of the commentators and most quoted outside experts urged on the authorities in their mistakes. The NIESR can claim to be the godfather of the Heath-Barber dash for growth. (Lord Vaizey regarded the policy as a masterstroke, urging "De l'audace, et encore de l'audace, et toujours de l'audace.") While most supporters of that policy blamed its demise on "unexpected" import price rises, the Economist took this factor into account beforehand and "guessed" in April 1973 that import prices might "actually fall." In October 1973, the journal anticipated and outflanked Mr. Healey by predicting 5 per cent. inflation in 1974.

The blame can certainly not all be put on the economic establishment. The mass media and the politicians tend to compound its errors by their professional interest in the short term and the spectacular. "Inflation is now running at 30 per cent., still the Government dithers," is a line which the Opposition can rarely resist.

Meanwhile, because of both the intractability of problems and the long term nature of genuine remedies, the talk in the famous circles lapses back into questions such as "Is Don Ryder the man to sort out the motor industry?" "Can Denis Healey pull off his delicate Phase III balancing act?" as if these personality questions were decisive.

Sometimes people in glass houses do have to throw stones; and anyone really curious about how policy is made should read *The Growth Merchants* in full.

**The Growth Merchants, Centre For Policy Studies, Wilfred Street, London, S.W.1. £1.55.*

RACING — BY DOMINIC WIGAN

Water Boy can make a splash

IN SPITE of the strong claims of The Minstrel, trained by Vincent O'Brien, I believe he can be beaten in to-day's 2,000 Guineas at Newmarket, and it may pay backers to oppose him with François Boutin's French challenger, Water Boy, who will be at more attractive odds.

A 10-1 chance in most ante-post lists at present—as opposed to the 11-8 being offered about The Minstrel—Water Boy has done little wrong in two starts this campaign. The four-length winner of the Prix Omnium at St. Cloud in March, Boutin's *Timmy My Boy* colt then accounted for all but the remarkable Blushing Groom in Longchamp's Prix de Fontainbleau.

A tough and very game chestnut, who will be ideally suited by any further rain, Water Boy may prove just too determined for The Minstrel, who has been saddled with the unfavourable No. 18 outside berth.

Of the remainder, I have most regard for the 33-1 chance, Etienne Gerard, who can improve a great deal on his third place effort behind Rocket Symphony and Digitalis in the James Lane 2,000 Guineas Trial at Kempton, where he was probably in need of the race.

Some of England's top speed merchants, including Gentilhombre and Three Legs will be trying to repel France's Raga Novarro and the Irish-trained Wolverlife in the £10,000 Palace House Stakes, and this race promises to match the 2,000 Guineas for excitement.

Although a strong case can be argued for the overseas pair, I doubt either of them being good enough to deal with the still under-rated Three Legs, the best of whom has probably not been seen since his Duke of York Stakes success early last term.

In a disappointing line-up for the Pretty Polly Stakes, which has lost Bessie Wallis and Miss Pinkie, I hope to see Beckhampton On The Fringe, a well-made bay filly by Vaguely Noble out of Riboflilio's dam, Island Creek, double her paddock value with a victory over Guama; while in the opener, the Spring Maiden Stakes, I give a confident vote to Tumbledownwind.

At the last meeting here, Tumbledownwind gained a lot of admirers when running the nippy and more forward Edna's Choice — an easy subsequent winner at Epsom — to three lengths in the Stuntney Maiden Stakes.

NEWMARKET
2.00—Tumbledownwind**
2.30—Yeoman
3.05—Water Boy***
Etienne Gerard a.w.
3.40—Three Legs
4.10—Bombardier.
4.40—On The Fringe
5.10—Ragotina*

CATTERICK
3.15—Avon Royale
3.45—Exiled Prince
4.15—Dred Scott
4.45—Sailcloth

KELSO
2.30—Johuello
3.00—Clever Prince
3.30—Baranne

CHELTENHAM
5.30—Underhill
6.00—Long Lane
7.45—Abercrombie

SALEROOM — BY PAMELA JUDGE

Tribal art fetches £62,587 at Christie's

TRIBAL ART fetched £62,587 at a Christie's sale in London yesterday with many of the higher prices reaching only the lower end of the pre-sale estimates.

A Kongo wood figure of a mother and child went to a private buyer for £5,000. Pace Editions, a New York dealer, paid £4,000 for a Luba wood kneeling female figure. A Benin bronze hip mask in the form of a ram's head made £3,800 (Entwhistle) and Adler gave £2,400 for a rare Kongo wood male figure.

English drawings and watercolours in another Christie's sale made £29,847. Private buyers paid £2,000 each for a picture of snipe on a marsh by Archibald Thorburn and a view of Chester's Foregate by Louise Rayner.

In Geneva, Christie's sale of antique arms made £82,265, with £7,954 paid for a pair of French royal flintlock holster pistols, £6,818 for a Saxon swept-hilt rapier, and £4,545 for a pair of German flintlock pistols.

On Monday, also in Geneva, sales of clocks and watches and fine German porcelain totalled £203,781 and £141,140 respectively.

A gilt-metal table clock by Chrystoff Muller, Augsburg, made £9,090 as did a fine gold, enamel, and diamond-set watch and chatelaine.

A Hochst ornithological coffee and chocolate service went for £7,954 and a Vienna chocolate-ground travelling solitaire set brought £2,727. A sale of fine wines made £72,000.

Bonham's jewellery auction realised £32,370 in London yesterday. The most interesting price was £4,800 (Blenheim Antiques) for a Viennese silver and enamel casket. The same dealer paid £4,500 for an art deco diamond and emerald bracelet.

In Phillip's £50,012 sale of furniture, Alan paid £2,500 for an Edwardian mahogany breakfront book case.

The first day of Stanley Gibbons' All World stamp auction realised £26,940. Seven unused imperforate blocks of four of France's 1863-1870 Rothschild issue sold for £2,230 (estimate £1,830).

This Kongo figure made £5,000.

GARDENS TODAY

Solving the problems of hibernating gardeners

BY ROBIN LANE FOX

BY THE time she feels like working in her garden, a lady reader writes to complain, it is too late for her to plant anything of any interest.

I know what she means. One comes to life at Easter, by which time everything ought to have *been* planted, unless it has been grown on a pot or a covering of the excellent black polythene.

If you are buying "containerised" stock for late planting, do not be too nervous about it. You can plant it far into the early summer season, perhaps even later, as long as you can find it. I must remark that much "containerised" is rather a fraud. It consists of all the stock lifted for sale between November and March but passed over, sometimes with reason, by buyers during that period. It is then stuck in a light John Innes Compost and encircled in polythene, to sell at an even higher price.

Three of my last four forays into garden centres could have left me with such unsatisfactory stuff.

Puddling

I note with interest the appearances of a new and yet more expensive group called the "containergrown"; this admits the difficulty. On the whole, I would try to choose "containerised" plants which have had time to develop the usual mat of garden-centre weed around their stems. At least the weed means that the plant has not recently been potted up. I mention this, not so much out of pique at nurserymen's practice, as out of a wish to save deaths in the garden. Late planting of unrooted stock is risky business.

I remain a firm supporter of an old trick called puddling, useful on all but the heaviest soils. When you dig out the hole for a plant, fitting the hole to the plant's roots, fill it up with water and wait until the water has drained before you plant your new stock. On clay soils, this advice is most decidedly not to be followed. Elsewhere, it is better than any number of waterings during a drought through cans sprayed from above. These bring the fine roots up to the surface where they soon dry out. Puddling puts water below them, in the direction in which they are supposed to grow. I am surprised how seldom this simple trick is followed by friends and fellow-gardeners.

I have used it, especially on alpines, the group of plants *which are the answer to my lady-reader's problems*. Alpines, among so much else, coincide with our seasons of activity. Pot-grown, they can be planted at any but the hottest seasons. April or September are the months which the Edwardian virtuosi favoured, so now is a good moment at which to begin to hunt them out. As small plants, they fit prettily into any garden: year after year, I discover varieties new to me which are well worth anyone's times.

Perhaps you already grow the family called *Epilobium* and perhaps you have not lost them in the hot summer which they detested. As value for money, there are few better plants for a light semi-shaded place, in any soil, acid or not. They flower for so many weeks and are as delicate as so many woodland plants. The white variety called *Glabellum* is excellent, sending up stems about six to nine inches high, which are topped by open white flowers, a little like small violas. They tend, I think, I recall, to have yellowish middles. The Japanese variety called Kai-Koense is smaller and has pink flowers: a cross between the two sold by Joe Elliott, Broadwell Nurseries, Moreton-in-Marsh, Glos., is pinkish white and wins high praise from its owners.

In threes

If I had a wall or a bed in an open half-shaded site, I would group three of each variety in its front row and enjoy them from June till late summer. But they do hate to be too dry.

In case you think alpines are never spectacular, I must put in a word for my latest craze, the remarkable *Saxifrage Cotyledon* Southside Seedling. Last year's attacks with a bulldozer have left me with a dry bank running quite pleasantly away at 90 degrees to my house's windows. The earth dries out quickly and turns to a pale grey crust. Plants which will carpet it are not usually noted for their bright leaves. Hence the value of Southside Seedling. It makes a rosette of silvered stiff leaves like an iced sea-anemone. In April, I am hoping, it will send up its long stem covered with hundreds of small red and white flowers. It likes to be dry and prefers a lime soil. It is easy. Five plants at intervals down my bank's length will break up its drab colouring when they are now flowering. There are many other crusted "Aizoon" saxifrages, all of which are good. But as a garden plant, I am sure that it is far the best.

Growing wild

I like, too, an unlikely [illegible] tion which is to be found in favoured parts of north England. *Saxifrage Oppositifolia* is a charming plant with which to begin a small bed devoted to our own wild flowers. There is much interest in natural gardens and natural alpine gardens (which can fairly include native Gentian) are pretty easily contrived. This native saxifrage makes a small mat, level with the ground. It likes sun and is safest in an open compost rich in leaf-mould. Its leaves are tiny, so you must not dig it up in error in its early stages. It flowers in March, bearing relatively large open flowers of reddish-lilac, varying from [illegible] to form. W. E. Ingwersens, Gravetye, East Grinstead, will sell you one called Latinia which has an edge of silver-white to its leaves in summer.

Mixed with a pretty form of Harebell (*Campanula Pusilla*) and, backed by the tall double form of our purple Meadow Cranesbill (the pretty *Geranium Pratense Plenum*) it would start you off on a British "alpine" bed on light shade, showing flowers from spring to July. The double forms of our native primrose and of course the white variety too would also be in place here. If you are coming to life only now and wonder how to give the garden a new and interesting turn, alpine plants in the next few weeks, and especially our own mountain flowers are the best retort to complaints that by mid-April it is too late to be trying anything new.

'Discrimination in pensions'

BY ERIC SHORT

MANY employers do not accept women for membership to company pension schemes on the same terms as men. This was disclosed yesterday in the third annual report of the Occupational Pensions Board covering its activities for 1976.

The Social Security Pensions Act 1975 requires occupational pensions schemes from April, 1978 not to have different conditions of membership for women and men and requires the board to advise administrators of the scheme whether it complies with the requirements and recommend any changes. It also gives the board power to order the administrators to make necessary changes.

Although the requirements are not in force, the board has been examining the equal access requirements while dealing with preservation of pensions, another of its responsibilities. The 1976 report says that during the year more than 3,500 schemes were cleared for equal access, but about 1,000 had been referred back to administrators because requirements had not been met.

The main task of the board will be to clear company schemes wishing to contract out of the new State scheme. The report states that considerable progress has been made with preparatory work and several meetings were held with administrators, pension interests and employers' representatives. But, by the end of the year, no standard documents for contracting-out had been agreed.

The board is becoming increasingly concerned that employers should be aware of the lengthy process involved in preparing for the new pension arrangements from April, 1978.

The report showed that during the year the number of staff increased from 89 to 107. The increase was necessary in order to plan and develop the board's contracting-out responsibilities and deal with the many inquiries received from pension interests.

Occupational Pensions Board Third Annual Report; House of Commons Paper 310; SO; 45p.

TV Radio

† Indicates programme in black and white.

BBC 1

6.40 a.m. Open University. 9.38 For Schools. 10.45 You and Me. 11.00 For Schools. 12.45 p.m. News, Weather. 1.00 Pebble Mill. 1.45 Heads and Tails. 2.01 For Schools. 3.53 Regional News (except London). 3.55 Play School. 4.20 Star Trek. 4.40 Star Turn. 5.10 Alarm in the Danube Delta. 5.35 Fred Basset.
5.40 News, Weather.
5.55 Nationwide.
6.40 "Springfield Rifle," starring Gary Cooper.
8.10 Survivors.
9.00 Party Political Broadcast.
9.10 News, Weather.
9.35 Sportsnight.
10.25 Does Scotland Mean It?
11.15 To-night.
11.55 Weather, Regional News.

All regions as BBC 1 except at the following times:

Wales—5.10-5.35 p.m. Bilidowcar. 5.55-6.20 Wales To-day. 6.40-7.05 Heddiw. 7.05-7.30 Pobol Y Cwm. 7.30-7.40 Tom and Jerry. 7.40-8.10 A Question of Sport. 11.55 Weather, News.

Scotland—5.55-6.20 p.m. Reporting Scotland. 9.35-10.25 Sportsscene. 11.55 News, Weather.

Northern Ireland — 10.23-10.43 a.m. Schools. 3.53-3.55 p.m. News. 5.55-6.20 Scene Around Six. 11.55 Weather, News.

England—5.55-6.20 p.m. Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands To-day (Birmingham); Nationwide (London and South East); Points West (Bristol); South To-day (Southampton); Spotlight South West (Plymouth).

BBC 2

6.40 a.m. Open University.
10.35 Nai Zindagi Naya Jeevan.
11.00 Play School.
11.25 Open University.
4.55 p.m. Open University.
7.00 News, Weather.
7.05 Mr. Smith's Vegetable Garden.
7.30 Newsday.
8.10 In the Making.
8.30 Inside Medicine.
9.00 Party Political Broadcast.
9.10 M*A*S*H.
9.35 Looking for Clancy.
11.05 Arena: Cinema.
11.35 News, Weather.
11.45 David Davis reads "The Carthaginian Peace."

LONDON

9.30 a.m. For Schools. 12.00 Rupert Bear. 12.10 p.m. Rainbow. 12.30 Look Who's Talking. 1.00 News. 1.20 To-day's Post. 1.30 Rooms. 2.00 Good Afternoon. 2.25 Racing. 3.50 There Goes That Song Again. 4.15 Get it Together. 4.45 On Your Marks. 5.15 The Flintstones.
5.45 News.
6.00 To-day.
6.35 Crossroads.
7.00 Bless This House.
7.30 Coronation Street.
8.00 This Is Your Life.
9.00 Walt Disney.
10.00 Party Political Broadcast.
10.10 News at Ten.
10.40 Wednesday Special.
11.40 Drive-In.
12.10 a.m. *Power Without Glory.*
1.05 Danny Abse reads one of his poems.

All IBA regions as London except at the following times:

ANGLIA

1.25 a.m. Anglian News. 2.00 Houseparty. 5.15 University Challenge. 6.00 About Anglia. 12.10 a.m. Pro Celebrity Snooker. 12.40 The Big Question.

ATV

1.20 p.m. ATV Newsdesk. 5.15 Mr. and Mrs. 6.00 ATV To-day. 11.40 Great Orchestral Conductors. 12.25 Diary.

BORDER

12.30 a.m. Focus on Wildlife. 5.15 Mr. and Mrs. 6.00 Border News and Lookaround. 12.10 a.m. News, weather.

CHANNEL

1.18 p.m. Channel News, What's on and Where. 6.00 Channel News, Weather. 6.10 To-day in the Guernsey States. 6.15 Merrie Melodies. 10.00 Vision U.S.A. 10.30 Channel News and Weather. 11.00 News, weather in French.

GRAMPIAN

9.25 a.m. First Thing. 1.20 Grampian News. 5.15 Merrie Melodies. 5.40 Police newsroom. 6.00 Grampian To-day, weather. 11.40 Reflections. 11.45 Mission Impossible.

GRANADA

1.20 a.m. This is Your Right. 5.10 This is Your Right. 5.15 Crossroads. 6.00 Granada Reports. 6.30 University Challenge. 10.40 Drive-In. 12.30 a.m. The Protectors.

HTV

11.20 a.m. Am Hwyl. 1.20 Report West. 1.25 Report Wales. 5.15 Lacesbutton-puppers. 5.20 Crossroads. 6.00 Report West. 6.15 Report Wales. 6.30 The Challenge of the Sexes. 11.40 Policewoman. 12.40 a.m. Weather, close.

HTV Cymru/Wales as HTV General except: 1.20-1.25 Penawdau Newyddion y Dydd. 4.15-4.55 Miri Mawr. 4.35-4.45 Un Tro. 6.00-6.15 Y Dydd. 10.10-10.40 News, Report Wales. 11.40-12.25 Just One More War. 12.25 Weather, close.

HTV West as HTV General except: 11.20-11.35 Alive and Kicking. 1.20-1.30 Report West. 6.15-6.30 Report West.

SCOTTISH

1.25 a.m. Headlines, roads, weather. 5.15 Take Kerr. 5.20 Crossroads. 6.00 Scotland To-day. 6.30 Battle of the Comics. 11.40 Late Call. 11.45 Pro Celebrity Snooker.

SOUTHERN

1.20 a.m. News, weather. 5.15 Popeye. 5.20 Crossroads. 6.00 Day by Day. 12.10 a.m. News, weather, Persecution 77.

TYNE TEES

9.25 a.m. Starting Point. 9.30 Good Morning North. 9.45 Cartoon Time. [illegible] Peyton Place. [illegible] and Lookaround. [illegible] Mr. and Mrs. 6.00 Northern Life. [illegible] The New Gardener. [illegible] Stationary Ark. 12.35 Epilogue.

ULSTER

1.20 p.m. Lunchtime. 5.15 [illegible] Star Maidens. 6.00 News. 6.30 Reports. 11.40 Gardening To-day. 12.10 a.m. Bedtime.

WESTWARD

10.35 a.m. The Best of Friends. 12.27 p.m. Gus Honeybun's Birthdays. 1.20 News. 6.00 Westward Diary. 10.30 News. 11.40 Faith for Life.

YORKSHIRE

9.30 a.m. Good Morning Calendar. 9.45 Cartoon Time. 9.50 Peyton Place. 1.20 p.m. Calendar News, Weather. 5.15 Mr. and Mrs. 6.00 Calendar. 12.40 The New Gardener. 12.10 a.m. Drive-in.

RADIO 1 — 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.02 Noel Edmonds. 9.00 Simon Bates. 12.00 Paul Burnett. 12.30 p.m. Newsbeat. 2.02 David Hamilton (also on VHF) (S). 4.31 It's D.L.T. OK! including 5.30 Newsbeat. 7.02 John Peel (also on VHF) (S). 10.02 John Peel (S). 12.05 a.m. As Radio 2. [illegible]

RADIO 2 — 1,500m and VHF

[illegible]

RADIO 3 — 464m, Stereo & VHF

6.55 a.m. Weather. 7.00 News. 7.05 Midweek Choice part 1 (S). 8.00 News. 8.05 Midweek Choice part 2 (S). 9.00 News. 9.05 This Week's Composer: Villa-Lobos. 9.30 New Organs From Old (S). 10.30 New Music from Czechoslovakia (S). 11.10 Brahms and Chopin (S). 12.05 p.m. Queen Elizabeth Prize (S). 1.00 News. 1.05 Concert Hall (S). [illegible]

RADIO 4 — 434m, 330m, 285m and VHF

[illegible]

BBC Radio London — 206m and 94.9 VHF

[illegible]

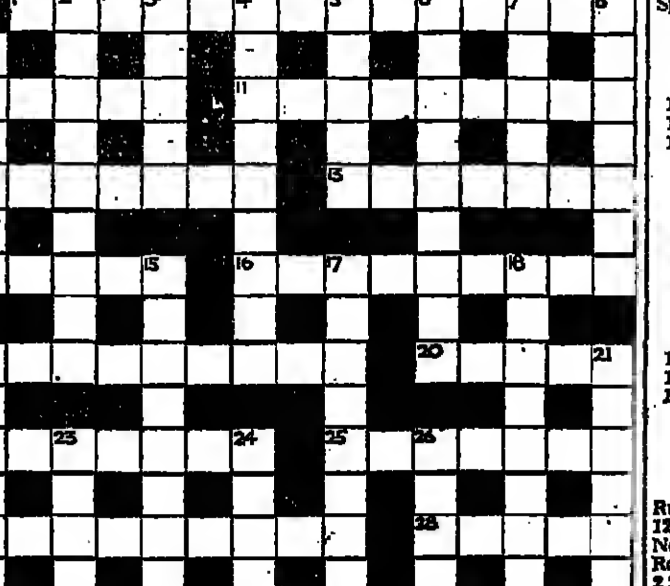
London Broadcasting — 261m and 97.3 VHF

[illegible]

Capital Radio — 194m and 95.8 VHF

[illegible]

F.T. CROSSWORD PUZZLE No. 3,365



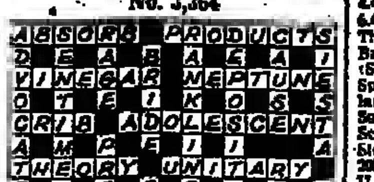
ACROSS

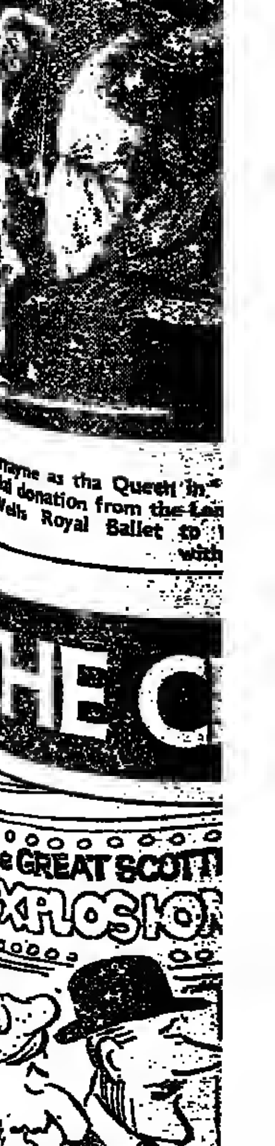
1 Numberless makers of the M1 (8, 3, 3)
10 Revolutionary who found Bath deadly (5)
11 Change order given by patroness (9)
12 Striking hair style with vein just showing (7)
13 Cut short a form of contract . . . (7)
14 . . . multiplied by paper (5)
16 Sterilise sect I find unruly (9)
19 Daughter is taking book for the masses for firing (9)
20 Footwear given a heating (5)
22 Austere and vinegary about Scots capital (7)
25 Write for deposit (3, 4)
27 Makes clear periods away from home (6, 3)
28 Horse setting off picture (5)
29 Irritation expected in a housewife (4, 3, 7)

DOWN

2 The dickens of a tale about the depression (4, 5)
3 Say it's complete (5)
4 Deposit an unusual arrangement in region opposite (9)
5 A helper taken up by a goddess (5)
6 Refusal given to part of orchestra in absence of conditions . . . (2, 7)
7 . . . ought to invalidate such shape (5)
8 Part of heated resistance to iron (7)
9 Tax one member on Ringway (6)
15 Can I still split this atom? (9)
17 Cure favourite concerning explosive ingredient (9)
18 Common ending in the 18th century (9)
19 Drafts that could mean a pools win (5, 2)
21 Boy gets a thank you for composition (6)
23 Completely involved in spectacle another arranged (5)
24 Press made to gloat over starter of Derby (5)
26 Return it to centre of shy (5)

SOLUTION TO PUZZLE No. 3,364





[illegible]

هكذا من الاصل

Television

Higher than all pain by CHRIS DUNKLEY

Like Christmas presents or Easter eggs which could be assimilated more comfortably (though less excitingly) if spread over a longer period, new situation comedies always seem to turn up in bundles.

After seeing nothing new for quite a while we have recently been introduced to four new series in rapid succession: *Backs To The Land* from Anglia (not a company habitually associated with comedy series, but all the more welcome for that), *Miss Jones And Son* and *Paradise Island* from Thames, and *Don't Forget To Write* from BBC 2.

It is a reflection of the historic, but seemingly quite undiminished, British flare for punning and love of verbal humour that three of these titles are in themselves jokes.

Backs To The Land makes little secret of its inspiration (or aspirations). After the enormous success of the BBC's *Dad's Army*, forces and wartime comedy was certain to expand. Here though the RAF was given a turn with *Get Some In*, and only six months ago Granada offered another chance for a nostalgic wallow with the rather lacklustre *Yanks Go Home*. Anglia make their intentions pretty plain when they describe the Women's Land Army, which is the subject of their new series, as "a kind of Mum's Army."

What they have done is to take three girls (which rings a bell) from the city and throw them into the filth and fecundity of farm life. "I know the difference between cows and bulls," says one of them in the first episode which was called "A Miss Is As Good As A Male," "cows have bosoms."

Predictably the three girls don't have an awful lot in common: the motorbike riding Jenny Dabb played by Terese Stevens is reminiscent of Miriam Karlin's character in *The Rag Trade* — a rule-quoting cockney, always one jump ahead of the boss's attempts to cheat his workforce; Phillipa Howell's Shirley Bloom is middle class Jewish; and debby Daphne Finch-Beauchamp played by Marilyn Galsworthy is the sort of girl who puts on 27 layers of white net to go to the local hop.

So on the debit side of the series is the tendency for the jokes to be written to familiar formulae: either naive town girls in the country, or misunderstandings between people from very different backgrounds. On the credit side are the film inserts which appear to have been shot in the glorious summer of 1976.

One of the reasons, presumably, for so many series harking back to the war is that it does provide a period familiar to many viewers (even though an ever increasing proportion of us cannot remember it at all) when one set of social conventions was still pretty well universally recognised. The turmoil of war put many people, such as the landgirls, into situations where those conventions simply couldn't be observed to the letter, and of course the breaking of conventions and taboos is a traditionally rich source of comedy.

Yet the code does have to be widely accepted before you can make capital out of breaking it. Being set in the present, Thames's series *Miss Jones and Son* has none of these advantages. In fact its producers must be wondering whether there is anybody they have not offended rather than amused. Moralists object that an unmarried mother is not a suitable subject for early evening comedy, and feminists protest that single mothers deserve sympathy rather than ridicule.

Those of us who have been fighting a rearguard action for years against the totalitarian "liberals" who would prohibit jokes about Indians, homosexuals and—heaven preserve us—mothers-in-law (all that ridicule is psychologically damaging!) are beginning to feel a little weary, but it seems that we must now take up arms and defend the right to make jokes about unmarried mums.

After all those domestic comedies involving every imaginable combination of male and female, adult and offspring—*And Father Makes Nine*, *Mother Dear Mother* or whatever they were called—reduction to the simplest form, of the single girl and her baby, was perhaps inevitable and to suggest prohibiting the series solely because of its subject is absurd. It must stand or fall according to its internal merits.

Unfortunately these do not, so far, seem to be very numerous. Although the producer/director of the series is Peter Frazer-Jones who was responsible for *Man About The House* in which Paula Wilcox (who plays Miss Jones) came to such prominence, and although he was also responsible for *George And Mildred* and *Robin's Nest* — the vehicles in which Yootha Joyce, Brian Murphy, and Richard O'Sullivan spun off so successfully from *Man About The House* — *Miss Jones and Son* seems rather heavy handed.

This week for instance we had not one set of multiple exit lines from the worried mother popping back again and again to deliver a whole list of anxious reminders to the baby sitter, but two sets, with two babysitters. Similarly the randy little bald Frenchman at the dinner party did not goose Miss Jones once or even twice but half a dozen times. Most dispiriting of all is the reliance on wet nappy jokes.

Still, there was a very nice little cameo from Amanda Barrie as the hostess whose guests all started to fight for the telephone to check on the state of *their* babies.

Miss Jones and Son has an unusually large cast for this sort of show, but Thames's other new series, *Paradise Island*, has ensured strict economy by setting down its vicar (Bill "Selwyn Froggitt" Maynard) and its cruise liner entertainments officer (William "Schh You Know Who" Franklyn) on a desert island, and one that looks, moreover, remarkably like a hot very brightly lit television studio.

As a collector of desert island cartoons for 18 years, I can vouch for the fact that this situation is rich in one-liners ("There they go sipping their damned martinis" remarks one castaway to the other, gazing up at a high airliner, in one of the first and best I ever collected, by David Langdon) but after the first episode I wonder if *Paradise Island* is going to advance beyond the one line cartoon level.

All successful comedy, even slapstick—*particularly* slapstick—says something fairly serious (even if unintended) about the human condition. Esmonde and Larbey's *The Good Life*, for example, says a lot through Margo about social climbing, and Eric Chappell's *Rising Damp* says a good deal about hypocrisy and pretensions. This is not to suggest that to be successful comedy must set out to deliver a serious message: just that a message does invariably seem to be a concomitant of good comedy.

In the desert island setting where life is reduced to essentials it might seem practically impossible to avoid some sort of of comment on humanity, yet *Paradise Island* has just about managed it. The priest's worldly gluttony (not the most strikingly original of clerical ironies, but then old jokes are sometimes best) is so far the only obvious development area.

Paradise Island can be taken in fairly easily while playing Miss Milligan's patience, but Charles Wood's six-part series *Don't Forget To Write* requires closer attention. The relationships in this writer's household, particularly between husband (George Cole) and wife (Gwen Watford, who is simply delightful in the role) have an extraordinary ring of truth. Yet there is, too, a paradoxical sensation that some subtly distorting glaze has been laid across the entire scene.

People seem to find Wood's work either shriekingly funny or not funny at all. I shriek. But I do wonder how thinly stretched his material is going to be over six episodes: even the first two looked about 10 minutes too long at 50 minutes a time.

Of the four series *Don't Forget To Write* (which is produced, unusually, by the BBC's drama instead of light entertainment department) is unquestionably the most unusual, and the most idiosyncratic. Like *Miss Jones And Son* (by Richard Waring) and *Backs To The Land* (by David Climie) it is the work of one writer; a factor which usually means a relatively small supply of material, but sustained quality.

Paradise Island is using a succession of different writers which is not conducive to consistent development of character but might, ironically, lead to longevity.

Laughter makers in (top) 'Backs to the Land' and 'Don't Forget to Write' (below) 'Paradise Island' and 'Miss Jones and Son'

Leonard Burt

Elizabeth Spriggs and Paul Scofield in 'Volpone,' which opened last night at the Olivier Theatre

Cottesloe

The Passion by B. A. YOUNG

Highlights from the New Testament are what we have in the production by Bill Bryden and Sebastian Graham-Jones of scenes from the York Mystery Plays, but the emphasis is on the Crucifixion. This is done at length, with a lot of the soldiers' backchat given by the York Realist. The text has been worked on by the company with the advice of Tony Harrison. It is still nearer to Middle English than to current speech.

This is as it should be. It's a bad idea to bring the Mysteries too much up to date. Modern speech and modern clothes suggest modern thought, and the thought in these plays belongs to the craftsmen of the 14th century, even if it does now and then correspond with to-day's ideas. Here we have modern clothes, but only in a broad, unspecific way that does not fight against the arrival of an angel in the top gallery or a Pilate dressed for the Chelsea Arts Ball. Some of the music, played by the Albion Dance Band, is aggressively modern, its horribleness emphasised by the contrast with old songs like "This I have done for my true love."

The tip-up seats have been taken out of the theatre (if you ask me, they should never have been there) and the audience walks about as at a promenade concert, only more mobile. In an indoor theatre this is as near as you can get to the traditional presentation on a series of moving pageant wagons. The disadvantage is that scenes low down—and it happens that the York writer makes Jesus lie down on his cross are hard for some of the audience to see. When Mnouchkine and Ronconi used similar notions, they mounted their scenes on platforms.

There is little opportunity for subtle acting, and rightly. Mark McManus as Jesus moved me by his ordinariness. The young chap from the Guild of Pinners and Painters in 1377 would react to the circumstances of Jesus's trial and execution as if they affected him personally; if he had tried to visualise Jesus he would probably have imagined him as a young chap from the Palestine Guild of Carpenters. The four soldiers who carry out the Crucifixion handle their cross-talk as neatly as Gravediggers in *Hamlet*; but I must say that in a version lasting under two hours I thought their chatter took up too much time. We might have exchanged a little of it for something out of one of the other 47 plays in the cycle.

The Entertainment Guide is on Page 34

Auditorium, John Lewis

Love at the Inn by ELIZABETH FORBES

My introduction to the music of Roger Quilter no doubt came through A Children's Overture, based on nursery rhymes from the *Baby's Opera*, but the first work of his that I consciously remember was the incidental music from *Where the Rainbow Ends*, a play for which I used to nourish a shameful passion, particularly when Anton Dolin played Saint George. A little later and on a rather higher literary plane, Quilter's settings of lyrics by Shakespeare, Herrick, Blake and other English poets gave me—and a lot of other people, I suspect—much pleasure.

This year marks the centenary of Quilter's birth (he was born on November 1, 1877 in Brighton) and the John Lewis Partnership Music Society is celebrating the event with one of his operas, *Love at the Inn*. The book, by Jeffrey Lambourne, deals with an episode in the life of the painter George Morland. According to Lambourne, Morland despises artists like Sir Joshua Reynolds who like to paint society ladies, and prefers to sketch the portraits of Sally the sow or Ruby the mare to pay for his drinks at the Blue Boar Inn, an establishment situated, apparently, in deepest Mummerset.

After an affair with Jenny, a parlourmaid, Morland falls in love with Anne, a girl he believes to be a farmer's daughter. But, as one of the other characters remarks, "Cupid has hitched his heart to a bosom of quality." After the usual misunderstandings, matters are cleared up quite satisfactorily; Anne turns out to be the sister of William Ward the engraver. She did in reality become Morland's wife. The lyrics, including a sticky theme song, "Love calls through a summer night," are by Rodney Bennett.

Quilter apparently composed some of the numbers during the 1920s, but did not complete his score until the middle or late 1940s—he died in 1953. This piecemeal method of composition rather shows in the music; there is no uniform style, though much of the work is written in a general "light opera" idiom vaguely reminiscent of many similar shows from the years between the wars. There are some pretty, easily singable tunes, though nothing as memorable as the finest of Quilter's song setting, "Now sleeps the crimson petal" say, or almost any of the Shakespeare songs.

The John Lewis production, directed by Tom Hawkes with choreography by Sally Gilpin and designed by Malcolm Pride, pays the work the compliment of taking it seriously, providing a pleasant, mildly entertaining two and a-half hours. The Partners make up nearly the entire cast, with three students from the London Opera Centre to help out. Marie McLaughlin sings charmingly as Anne, investing even the nth reprise of "Love calls" with sincerity. Carolyn Allen is a spirited Jenny, while William Pugh moons convincingly as the love-sick Morland.

Brian Kevis, for many years a stalwart supporter of the Partnership Music Society, makes an amusing Robert, the head footman with a penchant for French, while Judith Wright, as Emma, hostess of the Inn, puts over some astonishing lyrics—in an amazing accent—with a dead straight face. James Robertson conducts the London Senior Orchestra, showing no hint of condescension for the score, but rather communicating his admiration for a good piece of craftsmanship to players and singers alike.

Leonard Burt

Vyvyan Lorrayne as the Queen in 'The Court of Love' which opened last night at Sadler's Wells Theatre. A birthday donation from the London Celebrations Committee for the Queen's Silver Jubilee has enabled Sadler's Wells Royal Ballet to mount this new work which is choreographed by Lynn Seymour with commissioned score by Howard Blake.

Elizabeth Hall

Tortelier Trio by DOMINIC GILL

Two thirds of the Tortelier Trio, brought up to force by the Dutch pianist Willem Hielkema standing in for an indisposed Maria de la Pau, gave a recital on Monday of Brahms, Franck and Beethoven in aid of the Malcolm Sargent Cancer Fund for Children.

The hall was sold out; and the mood—as it is wherever Tortelier plays—was jovial. Tortelier himself, in robust, resonant form, began the evening with Brahms' F minor cello sonata. There was as ever in the performance that characteristic tendency to emphasise "effect," even at the expense of the larger scheme, the underlying impulse. But what marvellous effects they were!—the deep, soft-throated burr of tremolandi; the expressive vibrato conjured by the left hand on an open string, so realistically one could swear to having heard it; the big, flamboyant, amazingly accurate spiccati; the relentless command of the widest dynamic range, from breathless (but perfectly full-voiced) pianissimo to the most violent fortissimo attacks.

For all that the Brahms F minor is one of Tortelier's most frequent and familiar warhorses, there was never the least sense in the playing of dull routine: there was life, and sparkle, and even once or twice a rich, dark humour perhaps not entirely un-Brahmsian; and there was unfailing clarity of focus—to the movement of the music, its ebb and flow, the very quality of the sound.

Tortelier's son Yan Pascal gave the Franck violin sonata with the same energy and assurance as his father—but without quite the same force of conviction or inner radiance; it was a fine account, expertly made, but at a certain important boundary constrained — a degree too serious, too taut, lacking at once passion and charm. The two Torteliers came together with their pianist for a finale of Beethoven's Archduke trio: a performance which smoothed away some of the finer edges of the music in its pursuit of high spirits (discovered in the finale with almost explosive good humour), but which unfolded and gathered momentum nonetheless with infectious energy and force. Good, clean, inspired fun.

Rock Garden

Lamppost Reunion by MICHAEL COVENEY

The pipe-dreamers in O'Neill's *The Iceman Cometh* have many descendants in American drama and this short Broadway play of 1975 by Louis LaRusso II introduces a few more familiar stereotypes. Biggie is closing down his Brooklyn bar, The Lamppost, in the company of a whisky-sodden regular, Mac, and an old pal, Tommy, when Jack Santora and his Jewish manager, Jerry, drop by to take us into the small hours with memories, old scores and soggy recriminations.

Jack is back in his old haunt after 20 years away making it big as an easy-listening singer. "What is it about the street that keeps calling you back?" he enquires rhetorically, gazing bleary-eyed through the nicotine haze at his former side-kicks in the home-town group. They stayed behind with their aspirations buried under a rubble of wives, children and lousy jobs.

But the play, you soon realise, despite Paul Marcus' uneven production, is a spoof on the genre. Jack suspects Biggie of screwing his mother and, in a long and very funny speech, recalls the morning when he shinned down a drain pipe with spring in his heart only to vomit it back up over a neighbour's neck. Nobody knows what happened for sure—except poor Esther Melzone who stood between a heaving stomach and ground level.

Although an atmospheric corner of this Covent Garden cellar bar is a good choice of location, the production never bites because no sort of realistic consistency informs the playing to start with. Only William Simons as Tommy, pock-marked and greasy-haired, inhabits his part with any degree of comfort. Both Biggie and Mac are played by actors too young for the roles and, although Terence Bayler has his moments as a stiff-shouldered Jerry resembling Boris Karloff, and John Bay has the relaxed air of a transatlantic Max Bygraves, the deliberately excessive clichés of the script rarely pack the satiric punch they should.

Cardiff opera offers discount on tickets

The Welsh National Opera has launched an inaugural subscription scheme at New Theatre, Cardiff, offering up to 30 per cent. off ticket prices for regular attendances.

From September 1977 to May 1978 the company will present 12 operas in four two-week seasons replacing the two longer seasons currently presented. The scheme caters for all operatic tastes. Six of the subscription series contain four operas, two contain seven, three contain eight, and for a chance to see the complete repertory Welsh National Opera has designed the special "Gold Star Series" containing all 12 operas at a 30 per cent. discount. The choice of operas ranges widely.

EUROPEAN NEWS

PORTUGUESE JEER SOARES

General Eanes warns he may step in

BY DIANA SMITH LISBON, April 26.

GENERAL ANTONIO Ramalho Eanes, the Portuguese President, issued a veiled but firm warning to Prime Minister Mario Soares, from the Speaker's podium in Portugal's Assembly last night.

"My mandate from the Portuguese people obliges me to ensure national recuperation, national identity and relief of the community's anguish about the present and the future. I shall not hesitate to take the necessary, correct steps, within a democratic framework, to ensure the viability of this nation as a society worth living in," he said.

General Eanes' speech last night culminated 48 hours of commemoration of the military coup that overthrew the right wing dictatorship of Professor Caetano on April 25, 1974.

Two days of concerts, dancing in the streets, rallies, picnics and military parades gave a brief respite to the Portuguese people burdened with an untenable cost of living, high unemployment and lack of confidence in their Government—the latter vividly demonstrated when Prime Minister Soares was jeered and whistled at as his car left the reviewing stand after the high point of the public celebrations—yesterday's military parade.

The two-hour parade was a thought-provoking display of military strength—more than 4,000 cadets, soldiers, sailors, airmen and police as well as 350 vehicles and an impressive assortment of hardware marched or rolled down Lisbon's main avenue, while General Eanes, surrounded by military and civilian dignitaries, stood proudly to attention.

Unsmiling

General Eanes is Commander-in-Chief of the armed forces as well as President, and many observers felt that the unsmiling appearance of Sr. Soares, on the reviewing stand and later at the Assembly of the Republic, reflected discomfiture at being reminded so publicly of the power the President can command should he feel compelled to do so.

Speculation has been growing in political circles that General Eanes, dismayed at the Government's slowness in tackling economic problems and its over-readiness to resort to foreign loans (thus compromising Portugal's independence) rather than take drastic measures to stave off economic collapse, intends to take a tighter grip on the business of the state. He has already made his intentions felt in the Cabinet reshuffle in March, be insisted on the appointment of non-Socialist, technocrat Ministers and Secretaries of State whose competence was undisputed.

Unless the Government can speed up its activities, work out a viable agreement with management and trade unions to reduce the threat of continual industrial action by the Communist-dominated labour force or threat of non-co-operation from anti-Socialist management, and above all, reduce the soaring cost of living, well-informed sources suggest President Eanes may seek to form a government of technocrats by the autumn—not necessarily with Sr. Soares as Prime Minister. The President's speech last night fanned this speculation.

The Socialist Party itself is suffering from internal friction—not only from its left wing but from middle of the road Socialists disturbed by Sr. Soares' excessive concessions to foreign lenders of money, and apparent inability to cope with criticism of his policies inside his party.

One of the most prominent middle of the road socialists, Dr. Francisco Salgado Zenha, a leader of the Party's Parliamentary delegation, hinted at internal dissent in his address to the Assembly last night, when representatives of each of the five parties holding seats in the Assembly spoke in commemoration of April 25.

Tolerance

"Democracy implies tolerance," he said. "Unity does not mean unanimity—for unanimity sows the seeds of dictatorship."

As Sunday and Monday's red carnations fade, as the parading troops return to barracks, and once-prominent revolutionary figures like the charismatic Major Otelo Saraiva de Carvalho, who made a discreet, silent appearance on Sunday night surrounded by 8,000 cheering followers, return home to await military discipline for their part in the 1975 turbulence, Portugal goes back to work, with one impression clear in its collective mind—that its austere, taciturn President is emerging from his discreet silence.

Spain seeks to stem pressure on peseta

By Roger Matthews

MADRID, April 26.

THE BANK of Spain is to introduce new regulations on May 2 which will impose severe restrictions on dealings in the forward foreign exchange market. The main purpose seems to be to reduce speculation against the peseta, which, it is now widely accepted, may have to be devalued against a number of leading currencies at some point in the coming months.

Spanish banks will be tied down in considerable detail, and were to-day considering asking the authorities for more time in which to unwind current positions. Essentially, it is intended that the forward market will only be available for strictly commercial transactions and that banks will have to maintain "square positions."

This will close a number of loopholes that existed under the 1961 regulations, and left open a degree of manoeuvre for the more aggressive, foreign-oriented banks. The new regulations will affect the profitability of these banks and are unlikely to be welcomed by those foreign banks which are seeking to open fully-fledged offices in Madrid.

Since the end of the civil war in 1939, only one foreign bank has been allowed to do anything more than operate through representatives in Spain, apart from the four which were already trading. The new Bank of Spain regulations make clear to the new applicants, headed by at least three leading U.S. banks, the sort of conditions under which they should expect to have to operate.

The decision also indicates that the authorities expect the peseta to remain relatively weak for some time. With inflation running at an annual rate of just above 20 per cent., and a current account deficit last year of more than $4bn., the peseta is considered to be significantly over-valued.

However, no formal decision is expected to be taken before the June 15 elections. Thereafter, a new Cabinet will need time to study the economic situation and decide on a package of measures. The peseta was last formally devalued in February, 1976, by just over 10 per cent., but the measure was less effective than it might have been because of political difficulties over the introduction of a complementary package.

This mixture of political and economic issues is certain to dominate the visit by Sr. Adolfo Suarez, the Prime Minister, to the U.S. when it gets fully under way to-morrow. Sr. Suarez will be looking in his meetings with senior bankers, for promises of further substantial loans, along the lines of the $1bn. which was raised for Spain last summer.

Politically, he will be using his meeting with President Jimmy Carter as the curtain-raiser to the announcement of his own candidacy in the elections. It is now almost certain that Sr. Suarez will run, but with whom and for where is still unclear.

In government circles, the belief that the elections will be won by personalities, rather than parties or policies, has strongly increased the pressure on the Premier. Despite the contradictory pressure from some sections of the military and the traditional Right, Sr. Suarez has been sufficiently alarmed by the failure of the Centre parties to form a powerful alliance that he feels there is little alternative to becoming a candidate if he wishes to continue as Prime Minister after the elections.

Norway investigations to start immediately

BY WILLIAM DULLFORCE OSLO, April

THE NORWEGIAN Government to-day appointed an independent commission to investigate the Ekofisk blow-out in an attempt to establish its causes and determine whether safety regulations were properly observed.

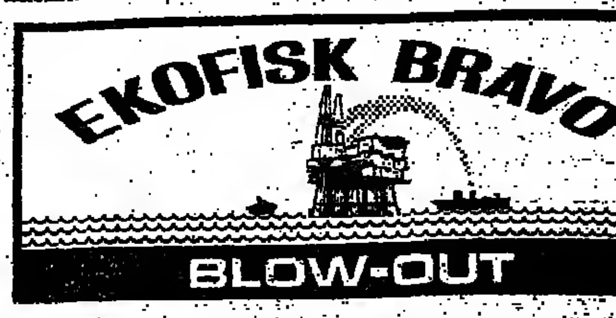
The commission, which comprises a Bergen judge, a professor of technology from Trondheim University, and the Stavanger chief of police, will start work at once and report as quickly as possible.

The Norwegian Parliament to-day postponed a debate on the accident until a full report is available after hearing a report by the Minister for the Environment, Mrs. Gro Harlem Bruntland.

Mrs. Bruntland said the deficiencies in coping with the escaping oil were technical rather than organisational.

The equipment so far developed could not be used in bad weather, she said. Booms and skimmers capable of dealing with 300 tons of oil an hour were now available in the Ekofisk area and would be used as soon as weather permitted.

Mrs. Bruntland stressed that the emergency measures had functioned as planned. In an accident of the scale of the Ekofisk blow-out, it was natural



for the North Sea countries to co-operate.

Norwegian experts estimated that the stricken well was disgorging a maximum of 3,000 tons of oil a day. About 25 per cent. of this would evaporate from the surface within the first 24 hours, Mrs. Bruntland said.

The experts now believe there is little danger of the oil slick, which has split in two, reaching the Norwegian coast.

After the first outburst of angry comment, Opposition politicians here are toning [...] their statements, recogn[...] that if the rogue well is suc[...] fully closed within the next [...] days, the Government will [...] able to claim that it has [...] efficiently with a potential [...]aster.

However, Nation, the Ce[...] Party journal, predicted t[...] that it would now be imposs[...] for the Government to open waters north of the 62nd Par[...] for oil exploration in 197[...] planned. Even Government [sup]porters were agreeing with t[...]

Belgians discuss 3-party rule

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

M. LEO TINDEMANS, the Belgian Prime Minister, to-day invited leaders of the Liberal and Socialist parties to discuss the formation of a new "grand coalition" Government with his own party, the Social Christians.

M. Tindemans launched his offer soon after the Flemish wing of the Liberal Party, which fared poorly in the national elections on April 17, withdrew its refusal to take part in a coalition, provided it was involved in negotiations on the new Government from the very start.

The Prime Minister has asked the Liberals and Socialists to reply to his offer by early to-morrow evening. If his strategy succeeds, it would create a coalition of the three largest Belgian parties enjoying a substantial majority of 175 of the 212 seats in the Belgian Lower House.

This ought to be more than adequate to ensure passage of the constitutional amendment eagerly sought by both the Social Christians and the Socialists which would give greater autonomy to the country's three main regions—Flanders, Wallonia and Brussels.

The Social Christians and the Socialists together hold 142 seats, just one seat more than the two-thirds Parliamentary majority needed to pass the amendment, and M. Tindemans would like to bring a third member into his planned coalition to ensure a large margin of victory.

The Socialists differ from the Social Christians on the precise form that the devolution package should, but political observers here believe the two parties should be able to agree on a compromise.

Rather greater difficulty seems likely to be met in agreeing on an economic policy which could reconcile the essentially conservative prescriptions favoured by the Social Christians with the demands for increased public intervention to reduce unemp[loy]mant being pressed by the Socialists.

The inclusion of the Socia[...] in a new coalition would alm[...] certainly result in signific[...] changes in the so-called "Egm[...]" plan for raising indirect t[...] and boosting investment d[...] op by the last coalition Gov[...]ment earlier this year. The [...] has been banging fire s[...] before the elections.

AP-DJ reports: The Bel[...] consumer price index in A[...] rose 0.56 per cent. from Fe[...]ary, according to official fig[...] published in Brussels today. [...] small increase marked a ret[...] to the upward trend for this [...] after the index fell in Ma[...] The index rose 7 per cent. [be]tween April 1976 and April 1[...] and could rise further n[...] month with another likely [in]crease in the price of coffee [...] the Ministry of Economic Affa[...] prices commission, accepts [...] request by the coffee roast[...] the price of one kilo would [...] op by Frs.55.

Rioting at Danish newspaper offices

By Hilary Barnes

COPENHAGEN, April 26.

TWO THOUSAND demonstrators battled with police outside the offices of the Copenhagen newspaper Berlingske Tidende in the early hours of this morning in what police described as the worst riots here since demonstrations against the World Bank in 1970.

The riots began when Berlingske Tidende decided to publish an emergency edition of the newspaper without the help of the normal printing staff, who have been on strike since January 30. The demonstrators tried to prevent this by blockading the building.

The police were heavily outnumbered and were forced to withdraw after a first round, but they returned at breakfast-time and after removing about 60 pickets enabled distribution vehicles to enter and leave the printing works. Two policemen and a demonstrator were injured in the clashes.

Prime Minister Anker Joergensen declared to-day that the attempted blockade was clearly illegal and that a similar recurrence would not be tolerated. He blamed troublemakers for the rioting and said the printers' cause would not be furthered by this type of demonstration.

The management said to-day it would not be deterred by the demonstrations from continuing to publish its emergency edition. Fresh clashes are expected to-night.

Schmidt party may face trial of strength with its left wing

BY ADRIAN DICKS BONN, April 26.

THE RULING West German Social Democratic Party, beset in the past few days by increasing signs of internal unrest, appeared to-day to be moving towards a trial of strength with its Left-wing over the future of the chairman of the Young Socialists, Herr Klaus-Uwe Benneter.

An avowed Marxist who was narrowly elected to his post only a few weeks ago, Herr Benneter said in a recent magazine interview that membership of the SPD was not a matter of firm dogma for the Young Socialists (who are generally known as the Jusos). He also said that he regarded the Christian Democratic opposition as "class enemies" of the SPD, and that it ought to be easier for the Jusos and for the SPD as a whole to co-operate with the Communists than with an opposition that so clearly represented the interests of capitalist industry.

Following intense discussions within the SPD's top ranks, the party's National Organiser, Herr Egon Bahr, has been given the power to expel Herr Benneter, and has made clear that he will do so unless the Jusos chairman is prepared to withdraw his words. There was no sign this evening that Herr Benneter would comply.

The crisis brings to a head smouldering mutual disaffection between the Jusos and the SPD headquarters organisation—disaffection that has threatened more than once since last October's narrow victory for the coalition Government to weaken Chancellor Helmut Schmidt's position within his own party. Two issues on which the Chancellor is at odds with many of his supporters—not all of them as far to the Left as Herr Benneter—are the future of nuclear energy, and the right balance to be struck in combating terrorism.

Opposition

Nuclear power is to be the subject of a special SPD congress at the end of this week in Cologne, at which Herr Schmidt can expect strong opposition to his Government's assumption up to now that it would reach a capacity of 30,000 megawatts by 1985.

On the question of anti-terrorist policy, the Chancellor dismayed many in the SPD last week when be said be personally supported the right of the police to bug conversations between defendants in terrorist cases and their lawyers. This has been common practice, though of questionable legality, in the Baader-Meinhof trial.

The Chancellor has, however, apparently gained from the refusal of the opposition leaders, Herr Helmut Kohl and Herr Franz-Josef Strauss, to take part in a conference this evening to review the state of anti-terrorist policies in the wake of the Buback assassination earlier this month.

Herr Schmidt, Herr Bahr and the party chairman, ex-Chancellor Willy Brandt, could be more confident of winning the tussles expected over all these matters, were it not for a number of other strains in the party that have recently received publicity. These include fresh difficulties with the Free Democrats in the State Governments of Hesse and North Rhine-Westphalia, a renewal of the fight between SPD Left- and Right-wingers in Munich, and an unhappy situation in West Berlin over the future of Mayor Klaus Schuetz.

However, from the point of view of the party leaders, the row over Herr Benneter may have the virtue of both demonstrating to the outside world once again their anti-Marxist stance, while encouraging the moderates who make up the bulk of the SPD's strength to stand up and be counted.

W. German textile orders fall

BY GUY HAWTIN FRANKFURT, April 26.

THE AIR of cautious optimism in the West German textile industry appears to have evaporated with the news that, for the past three months, orders have fallen heavily. This is a depressing contrast to last autumn's performance when bookings started upwards after the recession of most of this decade.

Gesamtverband der Textilindustrie (Gesamttextil), the industry's trade federation, reports that orders in December-February were 8.5 per cent. below the level of the same period 12 months ago. At the same time, there seems to be no signs of an early improvement in the industry's position. Orders in February were down by about 12 per cent., and March figures seem unlikely to be markedly better.

Nor have spirits in the industry been raised by the news that figures from the Federal Statistical Office have corrected the estimated 4 per cent. order decline in January to 10 per cent. This means that the overall fall in bookings for the first two months of the year was of 11 per cent. During the same period, West German production industry as a whole reported a 3 per cent. increase in bookings.

The situation in the textile industry appears even more serious when the crude order figures are adjusted to account for increases in producer prices. When this adjustment is made, orders during January and February lie some 16 per cent. below the 1976 levels.

Production levels in the industry, which had continued steadily upward in the latter months of 1976, in February started to reflect the slowing of orders. Output fell by 1.6 per cent., compared with a December-February increase of 5.7 per cent. and a January-February rise of 3 per cent.

Production in the important clothing sector showed an even steeper decline (9 per cent.), while the figure for West German production industry as a whole increased again, by 3 per cent.

An increasingly high level of textile imports is also causing the industry serious concern. Textile exports from the Federal Republic in February rose by 5 per cent., but this was more than offset by a 15 per cent. increase in imports which appear to be grabbing an ever-growing share of the domestic market. In the first two months of the year, exports were worth DM2.2bn., against imports of DM3.3bn. (£810.8m.), and the trade deficit in textiles went up by a fifth compared with the position a year ago.

Norway gives F-16 go ahead

By Our Own Correspondent

OSLO, April 26.

THE NORWEGIAN Parliament to-day authorised the Government to sign the final contract for the purchase of 72 General Dynamic F-16 fighter aircraft.

This opens the way for the conclusion of the so-called "arms deal of the century" under which four NATO countries, Belgium, Denmark, the Netherlands, and Norway will buy 348 F-16s to a value of more than $2bn.

Signature of the final contract has been delayed by disputes over the offset contracts which General Dynamics undertook to place with industries in the four countries. Denmark, in particular, has felt that it has been unfairly treated and last month asked for final signature of the contract to be postponed.

Mintoff looks for aid from Arabs

BY GODFREY GRIMA VALLETTA, April 26.

MALTESE Premier Dom Mintoff has reiterated his warning to France and Italy that, unless they help Malta overcome the economic problems that will arise from the closure of British bases in 1979, "Malta will take her friendship to the Arabs." Mr. Mintoff is seeking economic aid from Libya and Algeria.

Mr. Mintoff complained that France and Italy had lost much time in idle talk. Both countries, he asserted, were agreed that Malta should adopt a neutral posture after the closure of the British bases. This, he added, gave them the responsibility of contributing the necessary economic aid to help create jobs and make up the £M14m. being paid by Britain and Nato as rent for the bases.

He emphasised that Malta needs industrial investment of £M120m. (£88m.) to create 12,000 new jobs before 1979. He added that a number of Arab countries were already making a significant contribution towards resolving the problem.

Parade abandoned

East Germany is abandoning its traditional May Day military parade in East Berlin, Reuter reports. An official announcement yesterday said the annual parade, which drew regular protests from France, Britain and the U.S. that it violated post-war agreements barring German troops from Berlin, is to be transferred to the October 7 national day. Observers thought it could be part of an East German effort to improve its international image before East-West talks in Belgrade in June on political and military detente in Europe.

North-South talks aim for May deal

PARIS, April 26.

THE CONFERENCE on International Economic Co-operation (CIEC), better known as the North-South Dialogue resumed here to-day in an attempt to reach agreement prior to the ministerial session scheduled for May 30.

The talks, which were initialed two years ago, involve 19 countries representing the developing world and eight from the industrialised nations. The conference was adjourned in November in order to enable the new Carter Administration in the U.S. time to formulate policy.

Main problems still to be settled include the rescheduling of the large external debts of poor nations, guarantees of commodity export earnings, and the linking to an index of raw material prices to inflation in prices of imports by developing countries.

Conference sources said that the industrialised group, whose members have divergent approaches on a number of issues, would try to submit a package of proposals designed to break the deadlocked talks. The group includes the U.S., Japan, the EEC, Canada, Australia, Sweden, Switzerland and Spain.

A spokesman for the group of 19 developing nations, including oil exporters, said, "the situation is really bleak," as regards reaching agreement.

The U.S. would like the ministerial conference to agree on new international approaches which would increase and improve the bilateral and multilateral assistance available to developing nations, further the search for new means of dealing with commodity problems, improve the supply of energy in developing countries, and respond to the debt issue, U.S. sources said.

Although the U.S. expects constructive discussion on commodities at the CIEC, it feels that final decisions would have to be taken in other bodies at a later date, the sources said, noting that several questions must be resolved before a viable common fund to finance international buffer stocks can be agreed.

The U.S. feels that there is a need to increase the amount of official development assistance available to the poorest of the developing countries.

Agencies.

Dong wants ties with the West

PARIS, April 26

VIETNAMESE Prime Minis[ter] Pham Van Dong told Fren[ch] businessmen to-day that [...] Government wanted to set [...] economic ties with Weste[rn] countries as well as Commun[ist] ones.

Mr. Dong agreed with Fren[ch] businessmen that their partici[pa]tion in Vietnam's post-war construction should be stepp[ed] up, and then met Preside[nt] Giscard d'Estaing at an Ely[sée] Palace banquet. This followed by a policy discussi[on] on the situation in Asia, a[nd] French-Vietnamese co-operati[on].

"The Prime Minister told [...] that Vietnam doesn't want [...] maintain any monopoly for wh[at] he calls Vietnam's socia[list] brethren," M. Francois Ceyr[ac] President of the French Natio[nal] Association of Businessmen, s[aid] after a conference between [...] Dong and 80 French industri[al] leaders. Vietnam, M. Cey[rac] said, was determined to broa[den] its economic relationship w[ith] Western nations.

The meeting confirmed [...] French officials their belief t[...] Vietnam, hard pressed for [...] wants to let bygones be bygo[nes]. That, however, appeared ear[...] to achieve with France t[...] with the U.S.

UPI

Dutch decision on domestic credit shortly

AMSTERDAM, April 26.

THE Dutch Central Bank expects to decide next month whether to limit the growth of domestic credit and on what form possible measures should take, Bank President Jelle Zijlstra said.

The national liquidity quota—primary and secondary liquidity volume as a percentage of national income—must be reduced by at least an average of one percentage point a year up to 1980, he said in his annual report.

Mr. Zijlstra said that liquidity rose by 23 per cent. in 1976, taking it to 41 per cent. of national income compared with 37.5 per cent. in 1975. Particularly strong expansion occurred in long-term lending, including an "explosive" growth of mortgage lending.

This liquidity quota is at least three percentage points too high and it could limit the Central Bank's control of monetary developments if the economy recovers further, he added.

A cut in inflation should help improve the hesitant profits recovery which will also be aided by a second year of no increases in taxes and social insurance contributions, Mr. Zijlstra said. However, a greater part of the improvement in productivity will go to increase real incomes as opposed to profits in 1977. Real disposable income is expected to rise by 2.5 per cent. this year, up from 0.5 per cent. in 1976.

Reuter

Decision day for role of Italy's Communists

BY DOMINICK J. COYLE ROME, April 26.

THE CENTRAL directorate of Italy's long-ruling Christian Democrat Party meets here to-morrow to decide, in effect, between allowing the country's powerful Communist Party to enter the Government majority—but not the actual Cabinet as such—or on early national elections to try and resolve the present political impasse.

The main opposition parties to Sig. Giulio Andreotti's present minority Christian Democrat administration, the Communists (PCI) and the Socialists, have served notice that they are not prepared to continue to support the Government in parliament through their policy of abstention.

Instead, the opposition is calling for "programmatic government," a peculiar Italian euphemism for an administration whose main policy proposals have been worked out in advance with the opposition parties. It is intended that these policies should cover new anti-inflation measures, the now all-important question of law and order, steps to reduce unemployment and the associated question of Government investment.

The Socialists, Italy's third largest party after the Christian Democrats and the Communists, have prepared an outline policy document which, the party intends, should form the basis of detailed all-party negotiations on a new government and its legislative programme. In the event of agreement, it is possible that both the Communists and the Socialists would switch from a policy of parliamentary abstention to one of actual support for a new administration, probably again under the premiership of Sig. Andreotti.

However, there are important elements within the Christian Democrats who see in such a development a dangerous flirting with the Communists, and some of them at least are likely to argue at to-morrow's meeting that even new elections would be preferable to trying for a legislative accommodation with the Communists.

There are also those in the ruling party who are opposed personally to both Sig. Andreotti and to the Christian Democrats' generally reformist Secretary-General, Sig. Benigno Zaccagnini. These include the present party president and former Prime Minister, Sig. Aldo Moro, some of whose recent ambiguous public statements can be interpreted as either an invitation to the Communists to support a government under his own leadership, or else a threat to force a general election which many to the Right of the CD leadership now believe would be detrimental to the PCI. The last general election took place only ten months ago.

CD members of parliament were meeting here to-night to discuss the situation and, in theory at least, their views should be available to the central directorate to-morrow through the office of Sig. Zaccagnini. However, in a party which continues to be divided into various factions, each faction leader to-morrow will, in effect, be speaking for his own group in Parliament.

The Prime Minister himself is known to be optimistic that the party will ultimately endorse his own concept of a new Government under his leadership whose policies reflect generally a consensus of all-party agreement, and with a few technicians brought into his Cabinet to reflect, broadly speaking, Communist and Socialist programmes.

Meanwhile, the PCI announced here to-night that its General Secretary, Sig. Enrico Berlinguer, would have a meeting in Rome at the week-end with M. Georges Marchais, his opposite number in the French Communist Party. A party statement said merely that it was part of the continuing series of exchanges between Italian and French Communist leaders.

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Angry reaction to Carter plan to cut health costs

BY DAVID BELL

WASHINGTON, April 26.

PRESIDENT CARTER has taken the first hesitant step to fulfilling one of his campaign promises — that the U.S. should move towards the establishment of a comprehensive national health care system that would relieve the burden of the rapidly rising cost of health care.

He proposed yesterday that hospitals should employ a formula that would allow their costs to rise by no more than 9 per cent. in a single year. In the past few years hospital costs have been increasing by about 15 per cent. a year. The formula, if Congress accepts it, would force hospitals to cut costs and make better use of their facilities.

His proposal, even though it is a relatively modest one, has been angrily received both by the American Medical Association and by the hospital industry. Both argued that the rise in hospital costs was a reflection of inflation and the growing sophistication of medical technology and that there was, therefore, no case for setting an "artificial ceiling" on the amount that costs could rise in a single year.

Mr. Joseph Califano, the Secretary of Health, Education and Welfare, told reporters that "hospitals are unlike any other segment of our economy. They are a big business but there is absolutely no competition." He said that as they received most of their income from insurance companies that pay the medical costs of most Americans, they are cushioned from the 'marketplace' and there appears to be little or no incentive for them to cut costs.

This attack on hospital costs is only the first stage in the road towards a national health care system and it promises to be a long and difficult one. Those over 65 and those on social security in the U.S. already receive some help with their medical bills but Medicare and Medicaid—the two programmes under which this aid is forthcoming—have watched helplessly as their costs have risen in the past 10 years.

Mr. Carter used to say on the campaign trail that there was no point in introducing a national health plan until the Government could be reasonably sure how much it would cost and could also be certain that it was not effectively having to sign a blank cheque to the medical profession.

Mr. Califano said that U.S. hospitals could have saved about $330m. last year alone by taking fairly simple measures and noted that 25 per cent. of all U.S. hospital beds are normally empty at any one time. At the same time, doctors tend to operate only in the mornings to give themselves time to see patients in the afternoon so that there is not maximum utilisation of operating theatres and other facilities which are extremely expensive to maintain.

However it is easier for the Secretary to make this point than to do anything about it and most observers believe that persuading Congress and the medical profession to control medical costs will take a great deal of time and effort.

Hussein encouraged by Mideast talks in U.S.

WASHINGTON, April 26.

PRESIDENT Carter, toasting King Hussein of Jordan at a dinner last night, warned that unless strides were made toward peace in the Middle East this year "it may be a long time in the future before such an effort can be made again."

"I don't know if we will be successful this year," Mr. Carter told a working dinner for the King, who arrived in Washington yesterday for two days of talks. "It is very difficult to predict." The President said that at their first session of talks the two had had "a very fruitful discussion about past history and the future. We recognise the difficulty of resolving animosities that have existed for so long."

But Mr. Carter repeated what he has said to both Arab and Israeli leaders—that 1977 "can be propitious for peace."

During the exchange of toasts, King Hussein said his talks with President Carter had given him encouragement about the prospects for a lasting Middle East peace settlement. It was the King's first positive public statement about the problem since his arrival in Washington.

In recent statements, King Hussein has been cautious about the prospects for a Middle East settlement and in a previously recorded television interview, screened here on his arrival, he said he was far less optimistic about the chances of a settlement this year.

In the exchange of toasts, he said he had been cautious for some time about peace prospects in the area, but he told President Carter: "I have, as a result of meeting you, sir, felt more encouraged and more hopeful (about peace) than I have for a very long time."

The King pledged to work closely with President Carter in efforts to secure a genuine Middle East peace. "Our faith in you is great," he added.

● The U.S. Defence Department has notified Congress of proposals to sell $488m. worth of military equipment and services to Jordan, Israel, Saudi Arabia and South Korea. It was the largest total of arms sales proposals forwarded to Congress by the Carter Administration, which is considering possible changes in American arms sales policies.

There was no indication from the Pentagon as to whether the announcement of $64m. in technical assistance and training for Jordan was timed to coincide with King Hussein's visit. The proposal covers preparations for installing the improved version of the Hawk anti-aircraft missile in Jordan.

Agencies

Domestic car sales revive

DETROIT, April 26.

AFTER a weak start, sales of domestically produced cars resumed their normal pattern in April, rising 3 per cent. from April, 1976, to a record level.

Dealers sold 289,519 U.S.-made cars in the April 11-20 sales period, compared with 249,441 a year earlier. There was one more selling day in the mid-April period this year than last, so the percentage gain is based on a comparison of daily selling rates. These rates are obtained by dividing unit volume for each period by the number of sales days in that period.

Detroit sales analysts indicated mid-April deliveries here in line with expectations, and they are forecasting sales for the full month at 820,000 to 840,000 units, a 4 per cent. to 6 per cent. gain on April, 1975, but well short of the April record even though the mid-April sales pace exceeded the record for the period set in 1965.

Analysts said they see no evidence in mid-April figures of a significant consumer reaction to President Jimmy Carter's energy-saving proposals.

Among other things, President Carter has proposed a federal tax-and-rebate scheme that aims to stimulate sales of economical cars and deter purchase of those getting poor petrol mileage, and a plan by which petrol taxes could rise sharply.

General Motors Corporation's mid-April sales rose about 6 per cent., Ford sales jumped 9 per cent., Chrysler Corporation sales fell 9 per cent., while American Motors Corporation delivery rate dropped 32 per cent.

AP-DJ

UPI adds: President Carter's rebate programme for fuel-efficient cars could rebound against imported cars, a Volkswagen official said.

Mr. Philip A. Hutchinson, Washington representative for Volkswagen of America, told a House of Representatives Commerce Subcommittee the law requires a car to be made of 75 per cent. U.S. parts to be counted as a domestic car.

Under President Carter's energy plan, only a certain number of imports would qualify for fuel-saving rebates to customers. Volkswagen would like its American-assembled cars to qualify as domestic products. He suggested that the U.S.-made content requirement be phased in, beginning at 20 per cent.

Another witness, Mr. Jiro Kawano of Toyota Motor Sales, U.S.A., said stringent emission standards pose the greatest obstacle to fuel economy improvements.

NYC securities sale probe

NEW YORK, April 26.

THE State Assembly Committee on Banks has subpoenaed records of three New York City banks in an investigation of alleged dumping of city securities in late 1974 and early 1975.

The Banking Committee is probing charges that several New York banks quietly sold more than $2bn. in city securities to the public after privately learning of the city's impending fiscal crisis. Mr. Philip Korot, the Committee's general counsel, said that subpoenas were issued to Bankers Trust Co., a unit of Bankers Trust New York Corp., Chase Manhattan Bank, a unit of Chase Manhattan Corp., and Citibank, a unit of Citicorp. He said that a fourth bank, Morgan Guaranty Trust Co. of New York, will be given more time to comply voluntarily with the committee's request for records.

Mr. Korot said that the committee is seeking from all four banks records listing their purchases and sales of city securities and the minutes of strategy meetings at which decisions concerning city securities were made. He said that the subpoenas are returnable on May 13.

A spokesman said that Citibank was served a subpoena and that the bank was studying it. He declined further comment. Spokesmen for Chase Manhattan and Bankers Trust said that neither bank had received a subpoena.

The Securities and Exchange Commission (SEC) is conducting its own investigation into New York banks and city officials concerning the sale of city notes and bonds.

AP-DJ

Canada gas terminal plan

MONTREAL, April 26.

CANADIAN Pacific's subsidiary, Lorneterm LNG, has said that it has applied to Canada's National Energy Board in connection with the proposed New Brunswick facility for trans-shipment of Algerian natural gas to U.S. markets.

Lorneterm's application proposes a liquefied natural gas (LNG) tanker terminal near Saint John, New Brunswick, and a vaporisation facility at the head of a southbound pipeline.

A Transcanada Pipeline unit would operate the 80-mile New Brunswick portion of the pipeline, which would join a line to be built by a subsidiary of Tenneco of Houston.

Construction of the terminal is scheduled to begin early in 1978, with four years needed for completion of the proposed 1bn.-cubic-foot-a-day facility, Lorneterm said. Cost of the terminal is estimated at $530m.

The applicant said that it plans to submit to the National Energy Board by June 15, further information on the cost and economic financial and environmental effects of the terminal. Lorneterm is 75 per cent. controlled by Canadian Pacific. The remaining share is held by Paktank Corp., Houston, owned by Paktank, Rotterdam.

AP-DJ

BRAZIL'S LATEST CONSTITUTIONAL CHANGES

The military digs itself in

BY DAVID WHITE IN RIO DE JANEIRO

BRAZIL'S Generals who took power 13 years ago to "cure" temporary political and economic ills appear set for at least eight more years in office. The possibility of a civilian successor to General Ernesto Geisel, whose term expires in 1979, has faded out.

The next man, President Geisel has decided, will be there for six years instead of five, and will be spared the embarrassment of taking over with an opposition holding positions of power in the regions.

A hasty constitution repair job carried out during a fortnight's suspension of Congress earlier this month has left civilian politics in a sad state. The official Opposition, the Brazilian Democratic Movement (MDB), knows it is untikely to survive in its present form long enough to provide an effective challenge to the status quo.

Dictatorship

The political "reforms," which included the overruling of Congress on a judicial reform bill, have undone much of Gen. Geisel's effort to restore the credibility, both at home and abroad, of Brazil's democratic institutions. The main expedient was to circumscribe elections with a new set of rules that has no obvious purpose except to help the Government's lame-duck political party, the National Renovating Alliance (ARENA).

The questions how, when or whether Brazil will return to full democracy are no more and no less certain than before. By the end of Gen. Geisel's mandate there may be more parties. Gen. Geisel can claim to have liberalised some of the most repressive aspects of Brazil's dictatorship, having freed most of the Press from censorship, put moderates into regional army commands and brought a halt to the systematic torture of political detainees. But everyone is aware that, just as Congress can be kept in low heat and removed when necessary, the worst could easily return.

Anxious to distinguish its style from that of the populist Vargas regime of the 1930s and 1940s, the Government has sought to retain democratic functions. Vargas, during his dictatorial period, simply sacked Congress—once for four years and the second time for eight years. Argentina has likewise dispensed with its elective apparatus—in fact, Brazil, even after the last batch of restrictions, is one of the most liberal of Latin America's proliferating "authoritarian democracies" as General Pinochet describes them.

But the Congress has little power to speak of. It has splendid premises, the centrepiece of Brasilia, but its members failed to qualify for a recent inter-parliamentary union meeting in Australia because a presidential edict had suspended its functions. Nominally, military government has reinforced its powers by having presidents voted in by the upper and lower houses and state representatives, a substitute for the former general election system. But so far the only real electors for president have been the military high command.

Senators, who have eight-year mandates, are elected in two four-yearly slices—a third and then two-thirds. Under General Geisel's new rules one of the two-thirds due for election next year will be taken out of the hands of the voters and transferred to electoral colleges. The same applies to all the state governors, last elected according to the rules in 1965, when it became obvious that freely-elected governors were not compatible with unelected central governments.

Shared controls

The electoral colleges are state assemblies, plus enough local councillors to give the government majorities next year—except in Rio de Janeiro, which has led to an anti-government trend in the main towns and which has the MDB in a majority on all counts. Had it been left to the assemblies, the MDB would have won in Rio Grande do Sul, a key security region on the Argentine and Uruguayan borders, Sao Paulo, the most populous and industrialised state, and two Amazonian states, Amazonas and Acre.

This would have meant allowing the Opposition an important share of control, including budget spending, over a quarter of Brazil's territory and more than a quarter of its population. Free elections might have netted a couple more States into the bargain.

But even with the new indirect elections the MDB could gain a Senate majority next year. The 16 seats it won in 1974, out of 22 being fought, are retained until 1982. Another 17 would give the MDB half the Senate.

The Government is trying to forestall another Opposition landslide by clamping down on political campaigns. These rules were tried out in local ballots last November, the idea being that candidates can have their pictures on television but cannot say anything. Nobody has yet been able to work out whether this helps the Government or the Opposition.

Things could have been worse. Purges on politicians and the Press have been feared but have not yet materialised, in contrast to the last clampdown on Congress in 1968, when a quarter of its members were removed. Elections of some sort are still going ahead, and there is no precedent for election results in Brazil being overruled.

The president undoubtedly still commands many people's respect for his patent honesty and paternal dedication to what he considers best for Brazil. But even before meeting the stumbling block of opposition intransigence, he admitted: "We are still a long way from the objectives which I or any one of my ministers had in mind when we assumed Government . . . a lot remains to be done, and I do not have the dream of accomplishing all that remains to be done."

General Geisel's vision of Brazil's political future is something of a mystery. For some time his campaign to alleviate political tensions has yielded priority to economic and social concerns.

He travels a lot round the country, initiating social projects such as a much-needed relief programme for the drought area of the northeast, and exhorting Brazilians to pull through their economic difficulties.

The country's external accounts, in dire straits since 1974, have improved in recent months, with provisional figures for the first quarter trade deficit down to $170m. from $964m. and currency reserves, boosted by coffee earnings to a record $6.54bn.

But inflation is over 45 per cent. and still not under control. Increases in the minimum wage have been overtaken by rising prices, and dissatisfaction has reached into the civil service and the army, given only a 30 per cent. increase this year.

The middle class is feeling the pinch, students defying demonstration bans to protest against fees and the docile public often finding it hard to afford basic foodstuffs.

Special powers

Economic discontent clearly militates against Gen. Geisel's kind of political opening, which he has always said was subject to the condition of being both slow and safe. He never proposed to let go of his special powers, under the so-called Fifth Institutional Act of 1968, and has used them to remove politicians and public servants, to override Congress and to change the constitution. Some say the Government has caved in to the extreme Right, but it may also be that the latest measures were the best Gen. Geisel could do to stop right wing pressures from closing the door completely.

He still has problems to face at next year's elections, and there can be no guarantee that even the latest rules, removing Brazil's 43m. voters further than ever from the process of decision-making, will stand up for more than 18 months.

OVERSEAS NEWS

PNA meets to consider Bhutto offer

BY DAVID HOUSEGO, ASIA CORRESPONDENT

RAWALPINDI, April 26.

LEADERS OF the opposition Pakistan National Alliance are reported to have met to-day to discuss whether to open negotiations with Mr. Bhutto, the Prime Minister, to hreak the political deadlock that has paralysed the country since the March 7 general elections.

Mr. Bhutto is helieved to have offered to hold a fresh general election simultaneously with new provincial elections—a step forward on his last offer of provincial elections followed hy a general election if the results of the first went against him.

At Mr. Bhutto's instigation leaders of the nine party opposition coalition have been brought to Sihala, a government residenre ahout 14 miles from bere, from the various prisons where they were detained. Shelkh Mujihur Rahman, tbe Bengali leader, was beld at Sihala in 1971 while the Government beld abortive talks with blm on the future of wbat was then East Pakistan.

The unexpected new initative follows reports that Mr. Bhutto met Mufti Mahmud, the President of the *PNA, in Sihala* at the week-end. News of their talks was carried in this morning's edition of the normally well-informed Urdu paper Nawi-e-Vaqt. Their existeoce has not been denied by PNA sources, who have since had word from the party leadership of to-day's gathering in Sihala. The talks at the week-end were the first time that Mr. Bhutto has met an opposition leader since the election.

The crucial points still in dispute are the composition of a caretaker Government to supervise elections and their timing. The official stance of the PNA is that Mr. Bhutto must first resign, hut there was speculation to-day on aome compromise under which Mr. Bhntto might have a place in an interim government, but not necessarily at its head.

On the timing of the elections Mr. Bbutto wants aa long a delay as possible while the PNA, anxions to cash in on its recent success in the streets, will press *for an early poll.*

There is still much scepticism here, however, as to whether this unforeseen reversal of events amounts to a breakthrough. It is clearly in Mr. Bbntto's interest to demonstrate to public opinion and the military above all that he is aparing no effort to find a political solution. Equally, intermediarics have come forward, like Mr. Mazhar Ali Khan, the publisher of the weekly Viewpoint and father of Tariq Ali, who hack Mr. Bhutto's initiative as at least preferahle to the more horrifying prospect of army rule that now *stares* the country in the face.

On the other band the PNA may consider they now have Mr. Bhutto on the run, and that if they keep up the pressure he will be overthrown as President Ayub Khan was ousted by street agitation in 1969. Deadlock probably works in their favour.

The cost of this strategy, however, would be months of sterile confrontation, economic chaos and military rule from which the army might find it difficult to escape even if it so wished. Some PNA leaders may think this too heavy a price to pay.

Among those present at to-day's meeting at Sihala were Mufti Mahmud, Begum Nasim Wali Khan of tho North-West Frontier Province, Professor Aomed Gafoor and Nawabzada Nasrullah Khan. The Pir of Pagaro, acting head of the Alliance and currently its only leader out of prison, travelled from Lahore to the meeting.

There were nnconfirmed reports to-night that Air Marshal Asghar Khan—the hard line PNA leader most strongly opposed to negotiating with Mr. Bhutto—also attended.

Reflecting hoth sceptism ahout Mr. Bhutto's offer and determinatinn to keep up the pressure on bim, the PNA is still preparing for the "long march to Islamahad" on Saturday. The Pir of Pagaro is to lead it.

Gromyko seems pleased with Delhi meeting

By Our Own Correspondent

NEW DELHI, April 26.

AFTER meeting the Indlan Prime Minister for two hours to-day, the Soviet Foreign Minister, Mr. Andrei Gromyko, said be felt sure that both countries could look wilh confidence on the future of Indo-Soviet relations.

Describing his talks with Premier Morarji Desal as "very interesting and very useful," *Mr. Gromyko said that he* would not be mistaken if be said that the two spoke not only of the need to preserve the present level of relations bnt also the need to raise it.

Ganges water agreement near

BY K. K SHARMA IN NEW DELHI AND DAUD KHAN MAJLIS IN DACCA

INDIAN AND Balgladeshi officials are expected to meet in New Delhi on May 4 to work out details of a formal agreement on sharing the waters of the Ganges, following last week's achiavement of an "understanding" in the 27-year-old dispute.

Next month's meeting has as its basis the talks last week between the Indian Defence Minister, Mr. Jagjivan Ram, and the Bangladesh naval chief and Deputy Chief Martial Law Administrator, Rear-Admiral M. H. Khan, concerning the amount of water *India is* to release below tha Farakka Dam for Bangladesh during the dry season. Despite official cantion, a major breakthrough is indicated in the dispute.

For the purpose of negotiations, the seven-month dry season has been divided into 21 ten-day periods. The most critical of these is from April 21-April 30, when the Ganges flow dwindles to a minimum 55,000 cubic feet of water per second.

India, which draws from the Gangea at Farakka to keep the Hooghly River navigable and stop Calcutta port from silting up, has agreed to restrict its drawings to beween 20,000 and 24,000 cusecs during these ten days. Since the Hooghly is unnavigable *when* its *flow* drops below 40,000 cusecs, Indian officials regard this as a major concession.

Once past Farakka in India, the Ganges gains a few thousand cusecs from natural seepage before reaching the Hardinge Bridge in Bangladesh, whose allocation during tha ten days is unofficially estimated at about 36,000 cusecs—apparently an acceptable compromise between the 40,000 it has been demanding and the 30,000 India was prepared to offer.

Officials negotiating in New Delhi will work out allocations for the other 20 ten-day periods and possihly agreements covering the mechanics of sharing the waters and guaranteeing supplies to Bangladesh. They are expected *to set up a joint* commission to supervise and implement provisions mutually agreed on, and to set up some form of machinery to arbitrate in any disputes whlch may arise.

Australian uranium inquiry report soon

By Kenneth Randall

CANBERRA, April 26.

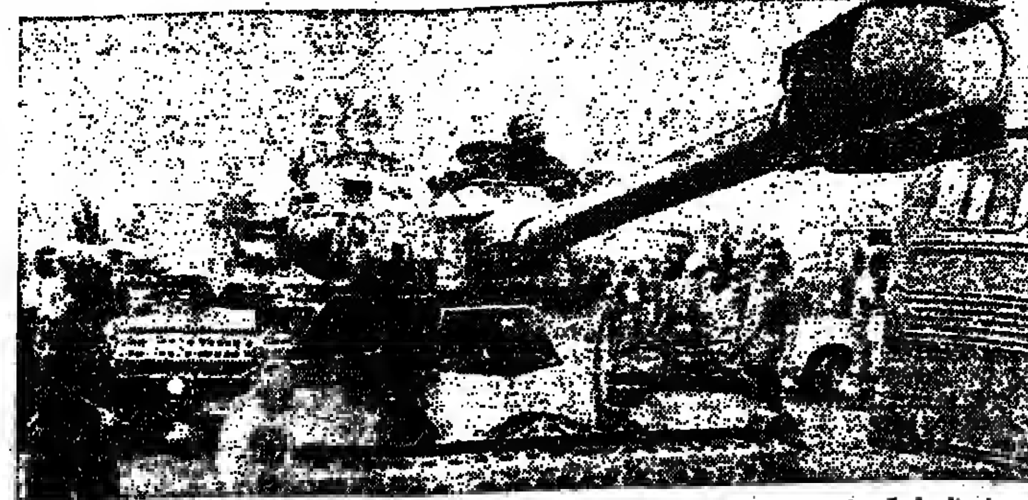
THE AUSTRALIAN Government expects to receive tha long-awaited final report of its environmental inquiry into uranium development next week. Government sources confirmed to-night that the cabinet would he considering the basic issues raised by the report before the Prime Minister, Mr. Malcolm Fraser, leaves for visits to Europe and North America at the end of May.

The environmental inquiry, headed by Mr. Justice Fox of the Supreme Court of the Australian capital territory, has virtually finished writing tha report and Mr. Fraser has authorised an accelerated printing programme to prepare it for publication.

A senior Government official said to-night, "we are fully aware of tha questions likely to be raised in Europe and the U.S. ahout uranium. The Prime Minister will be in a position to answer most of them." It was stressed, nevertheless, that no firm agreements were likely to he made during Mr. Fraser's tour. *Discussion* would centre more on the broad conditions which will govern Australian policy.

Foremost among these will be the co-ordination of Australian, Canadian and U.S. policy along tha lines of President Carter's recent energy statements and his exchanga of letters with Mr. Fraser in February.

Government spokesmen are now taking the view that Mr. Carter has introduced a new imperative for Australian exports of uranium with his stand against tha proliferation of fast-breeder technology and the development of a plutonium eco*nomy.* "*It comes down to the* fact," said one official, "that Australia will be helping to make the world safer by developing and exporting uranium, not tha reverse."



Zairean troops ride in apparently new, French-built, armoured cars near the Lubudi river in the *south-eastern* Shaba province, en route to Mutshatsha, a town which was reported to have been abandoned by rebels as the troops approached.

Nigeria to resume peace talks on Zaire invasion

BY STEWART DALBY

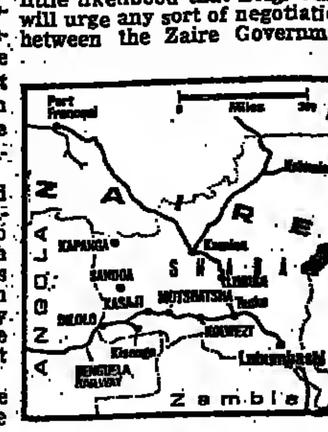
KINSHASA, April 26.

JOINT ZAIRE Government and Moroccan forces to-day consolidated their bold on tha strategic railway town of Mntsbasha, captured yesterday from tha Katangan insurgent forces. At the sama time it was learnt that Brig. Joseph Garba, the Nigerian Foreign Minister, is to arrive later to-day for talks with President Mobutu.

According to Mr. Edward Enahoro, the Nigeria Amhassador in Kinsbasa, Brig. Garba who earliar this month visited both the Zairean and Angolan capitals in an effort to mediate hetween the two countries—will fly directly to Lumumhashi, the Shaba capital, to meet President Mohutu.

The President has been in the copper-rich province since the week-end, where be has been *supervising the so-called decisive* offensive against the insurgent force which entered Zaire from Angola on March 8.

According to African diplomats here, Brig. Garba's aim is primarily to achieve reconciliation between Zaire and Angola. "It was obvious that Mohntu would have to suhdne the rebels," one diplomat said. "What is essential now is that something he done to improve the relationship between Angola and Zaire, otherwise this kind of incursion will happen again." There is thus little likelihood that Brig. Garba will urge any sort of negotiations between the Zaire Government



and the insurgent force the hackbone of which is thought to be Katangese gendarmes who fought for Katangan secession under the lata Moise Tshombe in the early 1960's.

Tha Nigerian aim is ultimately to arrange a meeting between President Mobutu and President Neto of Angola, who last met over a year ago in neighbouring Congo to set the seal on an agreement following the end of the Angolan war.

That agreemant, under which Zaire undertook to prevent incursions into Angola of the defeated Angolan National Liberation Front (FNLA) in return for an Angolan commitment to *cease support for the Katangese* gendarmes then stationed in Angola, has not been honoured.

Spasmodic violation from the Zaire side in particular has occurred over the past year, and it is thought that larger scale incursions in February by the FNLA into Angola may have persuaded President Neto to sanction the current Katanga invasion of Shaha.

Sncb is the background of mistrust between the two countries that Brig. Garba's task is far from aasured of success. However, Nigeria, with its own secessionist civil war hehind it, is in the vanguard of those African countriee (by far the majority) who are not only deeply opposed to secession but who believe profoundly in the need for an African solution to prohlema sucb aa those betwee Zaire and Angola.

It is understood that the United States is enthusiastically backing tha Nigarian iniatlve in the hope that an African solution can be found.

Cease-fire in west Beirut

By Ihsan Hijazi

BEIRUT, April 26.

THREE DAYS of fighting in west Beirut between Syrian troops and Palestinian guerillas, hacked hy their Left-wing Lebanese supporters, ended to-day following the overnight arrangement of a ceasefire.

A huffer zone was set up hetween Syrian troops of the Arah League peace-keeping force and Palestinian commandos outside two Palestinian camps, Sahra and Chatila, on the outskirts of the city.

A guerilla alert was called off and armed men stationed on roof tops were ordered to leave them. House-to-house fighting had taken place in two quarters of Moslem west Beirut for three days before the ceasefire was arranged by contacts hetween the command of the Arah force and the leadership of the Palestine Liberation Organisation (PLO).

The murder of two Syrian soldiers on Friday set off the fighting. The Syrian retaliation against the Palestinians and Left wingers was fierce and many people, including innocent civilians, died in the battle, which saw the Syrians using tanks, armoured cars and artillery to destroy Palestinians' hide-outs.

Death toll figures varied between 40 and 80. A Right-wing radio station said that 12 Syrian soldiers and six Saudis were among those killed.

ON OTHER PAGES

Perez and Saudis discuss ways to end OPEC rift

RIYADH, April 26.

CROWN PRINCE Fahd of Saudi Arabia to-day described his second round of talks with the visiting Venezuelan President Sr. Carlos Andres Perez, as "useful and constructive." The Saudi vice-regent would not elaborate further, however, on talks which dealt mainly with proposals to heal the rift in the Organisation of Petroleum Exporting Countries (OPEC) over oil prices.

Sr. Perez arrived on Monday on the third leg of *his* tour of five OPEC countries in the Middle East.

Oil Ministers Ahmed Zaki Yamani of Saudi Arabia and Valentin Hernandes Acosta of Venezuela, beld an unpublicised meeting on Monday evening during which they were believed to have discussed the two-tier oil price system.

Saudi Foreign Minister Prince Saud al Feisal said to-day: "King Khaled has been in close contact with Crown Prince Fahd to ensure the talks would reflect Saudi Arabia's desire to establish strong and mutually beneficial relations between the kingdom and Venezuela."

The Saudi monarch, who is recuperating from leg surgery in a London hospital, is due to return home on Saturday.

"I believe we will he able to reach a settlement late in May and this solution will crystalise at tha forthcoming OPEC conference in Stockholm in July." Sr. Perez told the Beirut newspaper Al Anwar in Caracas before leaving for the Middle East.

He *denied he was carrying any* specific proposals or that he sided with one OPEC group rather than the other, "but we tend to agree, more or less, with Saudi Arabia and the United Arab Emirates," he said.

The two Arah countries broke with tha other 11 members of OPEC last December and raised their oil price hy 5 per cent. for the whole of 1977. The other 11 states decided on a 15 per cent rise in two stages this year.

Having visited Qatar, Kuwait and Saudi Arabia, Sr. Perez will make similar stops in Iraq and Iran before returning home.

UPI

Owen in talks with Sadat

CAIRO, April 26

PRESIDENT Anwar Sadat of Egypt and British Foreign Secretary David Owen started formal talks today on the Middle East crisis and the possible support by the European Economic Community in moves towards reconvention of the Geneva peace conference.

The Egyptian leader is expected to seek British support for the participation of the Palestine Liberation Organisation (PLO) at Geneva, which Israel flatly rejects, Egyptian Foreign Ministry sources said.

In an interview published here today by Al-Ahram newspaper Dr. Owen said that Britain supported participation of Palestinian representatives at the peace conference.

Dr. Owen was due to leave for Damascus later today on the second *stage* of *his four-day* visit to Egypt and Syria.

Reuter

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WORLD TRADE NEWS

Largest ever deal by Poland, Germany

BY LESLIE COLITT — HANOVER, April 26

THE FIRST coal gasification contract between a Krupp-led consortium and Poland is to be signed shortly, within a massive framework agreement concluded last year.

According to Poland's Foreign Trade Minister, Mr. Jerzy Olszewski, who is currently at the Hanover Trade Fair, the contract will be worth DM150m., and is for equipment to develop a large coal-mining operation in Poland's Upper Silesia region.

Talks have taken place here on finalising the project between Mr. Olszewski and members of Krupp's Board of directors.

The West Germans are to build coal gasification plants using the Krupp-Koppers process, as well as a series of downstream chemical plants which, together with the coal-mining equipment, is estimated to be worth a total of DM2.5bn.

It is the largest single West German deal with Poland, and comes on the heels of an announcement that Krupp and Koppers are to erect plants in the Soviet Union.

In the Polish coal gasification project, the ammonia and urea derived from the synthetic gas are to be used in the production of chemical fertilisers, while methanol is to be separated for use in improving the octane grade of petrol.

A joint West German-Polish company is to buy back these products for sale in the West, in order that the Poles can repay a DM600m. loan for the project by a consortium of West German banks, headed by the Dresdner Bank. A DM2bn. supplier credit has been backed by a Hermes export credit guarantee.

West German-Polish trade last year rose to a record DM5.1bn., with West German exports DM1.3bn. in excess of imports. There was a 33.7 per cent. rise in Polish exports to West Germany, cutting the 1975 trade gap by DM477m.

West Germany is the second largest exporter to Poland after the Soviet Union, with East Germany in third place.

Japan ship orders decline

BY CHARLES SMITH — TOKYO, April 26.

JAPAN won orders for 6.3m. gross tons of ships in fiscal year 1976 (ending last month) the Japanese Ship Exporters' Association revealed to-day. In doing so, it easily surpasses its original 5m. ton target for the year, but current orders are being hit by higher prices.

The total value of the orders was Y1,295bn. (about $4.7bn.) and the number of ships involved 481. The orders included one VLCC tanker, an order for which was placed last month with Mitsui Shipbuilding by a Norwegian owner.

A spokesman for the Ship Exporters' Association said to-day, however, that the Norwegian order resulted from a "special situation" and no other orders for big tankers were expected in the near future. It was Japan's first VLCC order since 1975.

The relatively high level of orders for 1976 was put down to-day to a bottoming out of prices last summer which convinced shipowners that they might have to pay more for their ships if they waited.

Greek owners were said to have been particularly active in ordering dry cargo vessels. There was also some revival in smaller tanker orders resulting from a recovery in the volume of world oil transport.

The shipbuilding industry has not yet set a target for 1977 export orders and may not set one at all "for political reasons." In the meantime, however, shipbuilders say they are beginning to feel the effects of the 5 per cent. price increase agreed by Japan at talks with the EEC early in the year coupled with the 8 per cent. revaluation in the yen which has occurred since the end of 1976.

The combined effect, a rise of 13 per cent. or so in Japan's ship export prices over a few months has resulted in cancellations and loss of orders which the shipbuilders claim are going to hurt them badly.

£11m. loan for diesel engines

The Exports Credits Guarantee Department has guaranteed a loan of £11m. which Williams and Glyn's Bank has made available to Diesel Nacional S.A., Mexico.

The loan will help finance a £13m. contract for diesel engines and engine kits which Cummins Engine Company will supply during 1977 from their Darlington factory.

This is the second ECGD buyer credit to finance diesel engines supplied by Cummins to this buyer—the first covered 1976 supplies.

Brazil foundry

The International Finance Corporation, an affiliate of the World Bank, is lending $20m. to help finance a $205.4m. Brazilian foundry that will produce 57,200 metric tons of iron castings and 8,200 metric tons of aluminium castings annually. The foundry is being built by FMB S.A. Produtos Metalurgicos at Betim, Belo Horizonte, in the State of Minas Gerais.

Saudi award

Mitsui Engineering and Shipbuilding has received an order for a sea water distillating plant from GTM International of France to be installed in the Port of Jeddah, Saudi Arabia. The plant is a part of Port of Jeddah Project IV which GTM and other two companies are undertaking for the Saudi Arabian Government.

Spanish car output boosted by Fiesta

BY TERRY DODSWORTH — BARCELONA, April 26.

CAR PRODUCTION in Spain is expected to break through the 1m. units barrier this year for the first time.

This is the confident prediction of manufacturers at the Barcelona Motor Show, following Ford's decision to bring forward its expansion programme for the Spanish-produced Fiesta model by several months.

Ford's plant at Almusafes, near Valencia, went into production last autumn. The original intention was to increase output with a second shift towards the end of this year, but following a strike and wages settlement a few weeks ago, Ford pulled this programme forward.

Production on the first shift has now reached its full capacity at 530 units a day, and the second shift is building almost 330 cars a day.

This means that Ford should make about 200,000 cars this year, virtually all of this total being incremental to Spain's entire production last year of almost 800,000 units.

As Ford's output builds up, it will also have a considerable impact on Spain's car exports. The company is tied to an agreement to limit its sales in Spain to only 10 per cent. of the previous year's total market—meaning that it can only sell 60,000 cars this year.

The balance therefore has to go into exports, which have been on a rising curve even before this year, as SEAT and the other Spanish manufacturers put more effort into this field. Last year exports rose to 190,000 units, against 164,000 in the boom year for the Spanish industry in 1973.

Soviet trade contacts with Israel

TEL AVIV, April 26.

ONE of the Soviet Union's biggest trade organisations is seeking contacts with Israeli companies for the first time since the Kremlin broke off diplomatic relations in the 1967 Arab-Israeli war, a business source said here.

The director of the Tel Aviv Chamber of Commerce, Mr. Zvi Amit, said the organisation had received a letter from the Paris office of Intorg, a big Soviet export company, seeking buyers for paper, newsprint, printing presses and ink, and other goods.

Though it was not stated, Mr. Amit said he believed all the goods offered would be Soviet-made.

Reuter

French wine gets boost

BY KENNETH GOODING

FRENCH producers are to spend nearly £250,000 over the next year promoting their wines in the U.K.

The two campaigns will concentrate on quality wines—the Appelation Controlee (AC) and the Vins Delimites de Qualite Superieure (VDQS) varieties.

Generic campaigns for French wines have been steadily built up since 1974 by Food From France, the French Government sponsored organisation for the promotion of food, wine and agricultural products.

And last year, against the general trend, wine exports from France to the U.K. rose by 10 per cent. in value to around Frs.411m. (roughly £48m.) of which just over half was accounted for by the AC top quality wines. This still left the U.K. as France's fifth most-important customer for wine after West Germany, Belgium, Switzerland and the U.S.

This has encouraged the producers to make a record sum of cash available for the 1977 campaigns. Eleven of the major U.K. specialist wine retailing groups have already agreed to take part in the promotional efforts. Between them they have nearly 3,000 retail outlets.

But the multiple grocers, which now account for around 40 per cent. of U.K. wine sales, are noticeably absent from the list of supporters for the two campaigns because they are still mainly interested in the cheaper end of the wine market.

Farm machinery exports

Exports of farm machinery and tractors last year fell in volume terms, Mr. Robert Aitken, newly-elected president of the Agricultural Engineers' Association, said in London to-day.

In money terms, exports last year soared to an impressive £769m., he said—a 23 per cent. increase in value, but a 2 per cent. decrease in volume.

After allowing for imports, the industry again showed a favourable trade balance of £525m. This was an increase in value of 19 per cent., but a reduction in volume of 6 per cent. compared with the year before.

Total production of tractors and farm machines was worth £1.1bn., an increase in value of £226m. "But the increase in real terms was only 2 per cent.—not enough to expand our share of world trade, which must be our aim," Mr. Aitken said.

And figures for the first three months of this year show that, while exports have increased by 2 per cent. to £215.7m., imports have increased by 64 per cent. to £84.5m. The favourable balance of trade has dropped by 18 per cent.

Saudi steel pact

BONN, April 26.

SAUDI Arabia has signed an agreement with Korf-Stahl of West Germany for the construction of a midrex direct reduction iron ore plant at Al-Jubail in eastern Saudi Arabia, the Saudi Industry Minister Mr. Ghazi Abdul Rahman al-Ghosaibi told a press conference at the end of a visit to West Germany.

Mr. Willy Korf, chairman of Korf-Stahl, said the full value of the deal will be known in about six months, but it is likely to range between $100m. and $300m.

The minister signed the agreement in his capacity as chairman of the Saudi Arabian State-owned Basic Industries Corporation (SABIC), which will be the majority partner in the joint venture.

The project will initially produce 800,000 tonnes of direct reduced iron a year, mainly for local use in Saudi steel-making facilities.

SABIC said in a statement any surplus produced in the plant's first years of operation will be exported.

The direct reduction facilities will be expanded according to local and world market requirements, it added.

SABIC has an initial capital of some $3bn. and plans to sell part of its shares in the private Saudi economy over the next seven years.

Reuter

India and China expected to restore trade links

BY K. K. SHARMA — NEW DELHI, April 26.

TRADE between India and China, which was suspended 15 years ago after border war in 1962, is expected to be resumed by the end of this year.

Diplomatic contacts on the matter were followed by talks at Bangkok last week by the Commerce Minister, Mr. Mohan Dharia, with the Chinese representative and are said to be "encouraging."

At present, the Indian Government has banned trade with China but it is thought that a notification lifting this will be issued as soon as prospects of commercial relations become firmer.

For the first time, Indian representatives of Government organisations like the State Trading Corporation have been allowed to visit the Canton trade fair to study goods and equipment that China can offer.

They are expected to submit a report to the Government on their visit after which further talks will be held.

Steel industry looks abroad for investment

BY OUR OWN CORRESPONDENT — NEW DELHI, April 26.

INDIA'S Steel Ministry has started fresh exercises on establishment of new plants, in spite of rising steel inventories owing to the slump in demand both at home and abroad.

Present accumulated stocks are worth rupees 500m. (over £35m.) despite exports of 2.5m. tonnes in the financial year ended March 31.

Steel production reached a record 10m. tonnes in 1976-77 and this year additional capacity will be created by expansion of the Soviet aided plants at Bhilai and Bokaro while prospects of lifting the excess production are extremely dim despite orders from Middle East countries.

The exercises now being made will take into account the fact that India's reserves of non coking coal will be used up within 40 years if the present production capacity remains or within 20 years if the capacity is doubled in the next decade as originally planned.

Depending on projections of demand for Indian steel both at home and abroad, it is possible that plans for import of non coking coal on a long-term basis will be made.

The steel ministry is now thinking in terms of new iron ore pelletisation plants geared strictly for export to countries willing to finance the projects on the pattern of the Kudremukh project in Karnataka state for which Iran has given a credit of $650m. The entire production of iron ore pellets from Kudremukh will be shipped to Iran for 20 years at the rate of 7.5m. tonnes annually.

The ministry is to scout around the world for similar clients for such projects which will mean value-added gains, promote employment and add to the country's industrial capacity. At present, India's huge iron ore reserves are exported as raw materials, mainly to Japan for which the Vishakhpatnam outer harbour has been improved at a cost of R1bn.

HOME NEWS

Rodgers backs £57m. rail investment

BY IAN HARGREAVES, TRANSPORT CORRESPONDENT

MR. WILLIAM RODGERS, Transport Secretary, yesterday dealt with accusations that the Government was starving the railways of cash by announcing his backing for a £57m. investment in new stock for Southern and Western Region services.

Although the announcement is only statutory confirmation for projects already written into British Rail's frozen £235m.-a-year investment budget, its release at a meeting with the unions and the railways Board yesterday was nothing if not timely.

It comes as an indication that the railways do not have too much to fear from next month's Transport White Paper, even though it is unlikely that union demands for an immediate extra £25m. a year in investment will be met in the policy statement.

The investment authorised for Western Region will provide 14 high-speed trains for the London-West Country routes by early 1980.

This will cut half an hour off the London Plymouth journey, making it 3 hours 12 minutes, and 50 minutes off London-Penzance. There will be a basic service (outside holiday peaks) of 19 trains a day, of which 16 will be 125 m.p.h. trains.

This will be the third stage of the high speed programme after the trains' introduction on Western Region and their forthcoming launch on the East Coast main line later this year.

Final stage

The final stage of the programme, not yet authorised, is for high-speed services between Northern England and South Wales, the West Country and the South Coast.

The second part of the investment announced by Mr. Rodgers yesterday is for £33m., to build 250 electric multiple units for Southern Region.

These will be automatic-door models, suitable for one-man operation, although no agreement with the unions on one-man operated trains on Southern Region has yet been broached.

British Rail's intention, given Government support, is to replace its entire inner suburban Southern Region fleet of 600 coaches with this type of vehicle. The stock to be replaced is mostly 30 years old.

Mr. Rodgers said after the meeting with rail unions and Board members that the investment programme was a further indication of his confidence in the future of the railways as an essential part of the public transport system.

It would lengthen order books at railway workshops in Crewe, York and Derby.

Yesterday's meeting was, by all accounts, good-tempered and constructive, although both unions and Board members stuck to their position that without higher levels of investment, especially in the early 1980s, parts of the rail network would become so run-down that services would deteriorate and eventually have to be withdrawn.

Mr. Ray Buckton, general secretary of ASLEF, the footplatemen's union, said Mr. Rodgers had given no indication that he was prepared to act to increase investment in the short term.

The unions had, he said, avoided making threats at the meeting, but previous statements about lack of co-operation over phase three and manpower on the railways still held good.

High-speed trains for Eastern Region

FINANCIAL TIMES REPORTER

BRITISH RAIL is hoping for a 30 per cent. increase in passenger traffic on the East Coast main line between King's Cross, in London, and Edinburgh, after the introduction of the 125 mph high-speed train on the route towards the end of this year.

High-speed services are already operating on the Western Region main line between Paddington and Cardiff and Bristol, whose passengers have increased by 15 per cent. since last autumn.

On the Eastern Region, the first of the 32 units authorised (out of 42 sought by the region's chiefs) is due for delivery in June.

A new timetable will come into operation in May next year, with the units being phased in on existing services as they are commissioned.

The full service will be running by early 1979. It will involve an investment of £53m. in the 32 train sets, £15m. on new track and signalling, and £7.1m. on depots and works will be in operation.

The journey between London and Edinburgh will be down to 4½ hours, an hour faster than the quickest to-day, with Aberdeen reached in just 7 hours 20 minutes from Kings Cross instead of the present 9 hours 7 minutes.

There will also be more frequent services, with improvements on other lines as modern rolling-stock displaced by the high speed sets are brought into use.

The 30 per cent. rise in passenger traffic is expected in the three years after the service is operational, possibly helped by special fare packages.

A "new look at pricing" on the Edinburgh route (a first-class return now costs £44) is now being undertaken, said Mr. Bert Gemmell, chief passenger manager of the Eastern Region.

He was speaking in Peterborough yesterday after the first passenger-carrying run of a high-speed unit from Kings Cross, using a train borrowed from the Western Region.

In another investment programme approved yesterday the Scottish Region will spend £12.3m. on the two remaining stages of the Edinburgh and East of Scotland improvement and re-signalling scheme.

The Flying Scotsman will travel between London and Edinburgh in a record 5 hours 27 minutes—an average speed of 72 mph—16 minutes quicker than at present.

Fifty-five minutes after leaving Kings Cross yesterday, this high-speed train was in Peterborough, 76 miles away, having touched 127 mph just north of Hitchin. It was the first time that the Eastern Region had shown off the train to passengers, specially invited for the occasion, and the unit had to be borrowed from the Western region. Eastern Region will have its own first high-speed train by June, and by the end of the year will begin introducing the 32 units it has ordered on the East Coast main line to Edinburgh and, eventually, further.

Letterewe Estate may fetch £½m.

BY JAMES McDONALD

THE LETTEREWE Estate—a 34-square-mile Scottish deer forest on the shores of Loch Maree, Wester Ross—owned by Colonel W. Whitbread, the brewer and horse racing enthusiast—is for sale. The agents, Bell-Ingram of Edinburgh, expect to realise over £500,000 for it.

Bell-Ingram said last night that there would be no auction. "We are asking for offers."

The property covers moorland, lochs and mountains. The Letterewe deer forest, it is claimed, forms a major part of the Scottish deer forests. In an average year, about 50 stags are shot. The estate also offers sea-trout and salmon fishing.

Bell-Ingram says it has received inquiries from all parts of the world, including North America, Japan and the Middle East, with most enquiries from the Continent and Britain. The possibility of a syndicate purchase is not excluded.

Singapore Slater bid fails

THE SINGAPORE Government failed in a renewed attempt yesterday to have Mr. Jim Slater, former head of Slater Walker Securities, extradited on four charges relating to the affairs of Haw Par Brothers International.

Three High Court judges refused leave to seek an order quashing the refusal of Metropolitan Chief Magistrate, Mr. Kenneth Barraclough, to order Mr. Slater's extradition under the 1967 Fugitive Offenders Act.

The Singapore Government was also refused leave to apply for an order requiring Mr. Barraclough to rehear the extradition move.

Lord Justice Shaw, sitting in the Queen's Bench Divisional Court with Mr. Justice Nield and Mr. Justice Stocker, said that the court would give its reasons at a later date.

Mr. John Matthew, QC, for Mr. Slater, had submitted that the Singapore Government's applications were "totally misconceived." There was no error of law disclosed in Mr. Barraclough's judgment on January 26.

Mr. Ronald Waterhouse, QC, for Singapore, had contended that the chief magistrate mistakenly applied Singapore law instead of British law in deciding whether or not to order extradition.

Overseas visitors boom gives U.K. £630m. tourism surplus

BY ARTHUR SANDLES

THE FLOOD of foreign visitors to Britain last year, taken together with a sharp fall in holidaymaking by the British themselves, has produced new records in the U.K. tourist business.

More than 10m. foreigners came to the U.K. last year, a rush of business which produced a £630m. surplus on the travel account. This compares with 9m. visitors and a surplus of £239m. in 1975.

But the British took 3.25m. fewer holidays at home and abroad than in 1975—7.25m. going overseas compared with 8m. a year before.

Spending by foreigners coming to the U.K. increased by 46 per cent. with the total going up to £2.1bn., making tourism one of the most important of Britain's export industries. Only four manufacturing industries are likely to produce higher figures for 1976.

The result have come at a time when a survey of the richest group of visitors, the Arabs and Iranians, indicates that they spend an average of £1,300 each during their stay.

The survey, by the British Tourist Authority, only included Middle Eastern visitors staying in hotels and rented apartments—and so probably missed the low-spending students and family visitors—but it is an indication of the expenditure by this section of the market.

The survey also suggested that Britain may be grossly under-estimating her earnings in some fields of tourism. The association figures for Middle Eastern spending in 1976 are nearly four times the official Government figures for 1975, but the association insists that its findings are accurate.

"We interviewed them at length and in their own languages. The International Passenger Survey (the Department of Trade official source) has a much shorter questionnaire and it is done in English."

Among the association findings was the fact that the average Middle Eastern visitor spends something like £500 on shopping during the holiday.

The new figures are likely to strengthen the tourist industry campaign to get the Government to encourage further investment in hotels and tourist facilities.

The dozens of new hotels that went up in the major tourist areas, notably London, because of the building incentives scheme of the early 1970s, are now largely full.

The new figures, to be published within a few days by the association and the Department of Trade, do not include fares paid to British airlines and passenger ships. This would normally approach a further £500m.

Air passenger traffic up 14%

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

PASSENGER TRAFFIC at the seven airports run by the British Airports Authority rose by 14 per cent. last month, compared with March last year, to a total of nearly 2.6m.

After the substantial increases recorded in previous months, last month's figure shows that the recession in air transport is over, and that passenger traffic can be expected to rise substantially.

The authority is preparing for an even bigger growth during the summer, with many visitors to Britain expected as a result of the Silver Jubilee.

Passenger traffic at Heathrow last March amounted to 1.67m., nearly 13 per cent. more than a year earlier. At Gatwick, the growth amounted to 19 per cent., to 372,000.

Traffic at the Scottish airports owned by the authority—especially Edinburgh and Aberdeen—continued to rise by even bigger amounts (23.7 per cent. at Edinburgh and up to 43 per cent. for helicopter movements alone at Aberdeen) as a result of the growth of the North sea oil industry.

One of the most significant features of last month's results was that the growth in passenger traffic was accompanied by a much smaller growth in aircraft movements—only 2.2 per cent. at South-East airports as a whole, with Heathrow recording a slight decline of 0.8 per cent.

This reflects the increasing use of the bigger, wide-bodied aircraft such as Boeing 747s, Lockheed TriStars and McDonnell Douglas DC-10s.

Cargo also showed an improvement last month, with total growth at all seven airports of more than 15 per cent. to 55,500 tonnes. The Heathrow total increased by 11.1 per cent. to 39,700 tonnes.

Ulster faces strike threat

Financial Times Reporter

AS TOP-LEVEL moves were made in Ulster yesterday to avert a workers' strike, Mr. Don Concannon, Minister of State at the Northern Ireland Office, spoke of the "terrible effect" another stoppage would inflict on the province's economy.

Militant Loyalist leaders have avoided saying that a strike—similar to the workers' stoppage of 1974—is definitely on. Instead paramilitary sources have been dropping broad hints and politicians have issued an ultimatum to the Government.

The Unionist Action Council, led by the Rev. Ian Paisley and Mr. Ernest Baird, said in a newspaper advertisement that Mr. Mason, the Ulster Secretary, had seven days to start an offensive against the IRA and implement demands for majority rule.

If Mr. Mason did not act Ulster Loyalists would take their own action. Mr. Paisley declined to say what was planned. "You will have to wait and see," he said.

The Loyalist posture may be a bluff, but the threat of a strike is clearly being taken seriously by the Government.

Condemnation

Mr. Harry West, the leader of the more moderate Official Unionist Party, was called to an emergency meeting at Stormont with Mr. Mason.

Afterwards, he came out firmly against any strike. He said it would be detrimental to the economy and impose hardships on Loyalists themselves.

Mr. Mason is also due to meet Mr. Airey Neave, the shadow Ulster spokesman, who yesterday said that he entirely supported the Secretary of State's condemnation of possible strike action to force the Government to tighten security.

Mr. Gerry Fitt, leader of the Social Democratic and Labour Party, asked Mr. Mason to seek the full backing of Parliament to oppose any stoppage.

Mr. Concannon, who is the Minister in charge of Industry, indicated that the move being threatened would have very serious effects on the attempts to attract investment and badly needed jobs.

The unemployment figures for the province underline his warning. The number out of work this month rose by 1,200 to 56,800, the highest April total since 1940.

Power workers in the province who hold the key to any shutdown of industry, were said to be showing little support for a strike. Past experience has shown, however, that intimidation of workers could have widespread effects.

WEEK'S FINANCIAL DIARY

In the Week's Financial Diary published last Monday, the two blocks of Dividend and Interest Payments headed by Allied Farm Foods and APV should have been dated for payment on Saturday April 30 and Sunday May 1 respectively.

Oil progress faster than expected

BY RAY DAFTER, ENERGY CORRESPONDENT

OIL PRODUCTION from the North Sea is progressing more speedily than expected. This emerges from the Government's latest Brown Book of offshore statistics.

Despite delays in the start of several important fields, the build-up of production in the next two years is expected to be faster than the rate forecast in previous Brown Books. The Government expects output to rise between 60m. and 70m. tons next year—the equivalent of between two-thirds and three-quarters of current annual U.K. demand for oil. Last year the Department of Energy thought 1978 production might not rise much above 55m. tons.

The report shows that the country is still on target to become self-sufficient in energy by 1980, although forecast production in that year has been downgraded in view of delays in bringing new oilfields on stream. The reduction in 1980 estimates, from a 95m.-115m. range to 90m.-110m. tons, is recognition of the longer term time which oil companies are taking to appraise new discoveries.

Government revenue from oil and gas production up to the end of 1980 is expected to be about £5.5bn. at 1976 prices. This money will be drawn from royalties, petroleum revenue tax and Corporation Tax.

The net benefit of domestically-produced oil and gas to the balance of payments current account last year was about £2bn. By the end of the decade the balance of payments benefit could be equivalent to about 5 per cent. of the gross national product.

In 1980 the State-owned British National Oil Corporation should have gained access to between 35m. and 40m. tons of oil a year, thanks to its equity interests, participation arrangements and royalties.

The Energy Department is still hazy about how much oil will be produced annually in the 1980s. Output is expected to be 100m. to 150m. tonnes, although much will depend on how quickly oil companies develop discoveries which have not yet been declared commercial prospects.

Development did not start on any new field last year. Work is expected to start on several in the next eight months. The Conoco/BNOC/Gulf group's Murchison Field, Mesa's discovery on block 11/30, and British Petroleum's Magnus Field are among those which should be developed soon. Seven fields are on stream. Two more—Thistle and Claymore—are expected to start producing this year, followed by the five remaining commercial discoveries in 1978 and 1979.

The possible total of reserves from fields under production or under development has risen from £1.17bn. tons last year to 1.26bn. tons. Estimates for other significant discoveries not yet fully appraised have been raised by 120m. tons to 1.24bn. tons.

This means recoverable reserves thought to lie in present discoveries are about 2.5bn. tons, an increase of 210m. tons on last year's estimate.

The Government is sticking by its forecast that between 3bn. and 4.5bn. tons of recoverable oil could lie under the U.K. Continental Shelf.

The fact that more oil has been found than remains to be discovered is one of the main factors behind the slow-down in exploration activity. Last year 58 exploration wells were sunk compared with 79 in 1976 and 67 in 1975. They maintained a success rate of about one discovery in five holes with an exceptional one find in every two holes east of Shetland.

The report points out that the fell in exploration and appraisal activity was more than offset by an increase in development drilling. Last year there were 12 oil and two gas discoveries, bringing the number of finds since exploration started in 1964 to 73 (45 of oil and 28 of gas and gas condensate).

The success of offshore gas activities has largely been overshadowed by the oil venture in recent years, but by the end of this year North Sea natural gas should be meeting all of the U.K's requirement. Last year 39.4bn. cubic metres of natural gas was sold to the British Gas Corporation. By this autumn new supplies from the U.K./Norwegian Frigg Field should start to build up to an additional 15bn. cubic metres annually.

Reserves under contract to British Gas should support an annual production rate of 170m. cubic metres a day by the 1980s. Remaining proven gas reserves are put at 809bn. cubic metres compared with 815bn. cubic metres a year ago. Total possible gas reserves are put at 1,443bn. cubic metres.

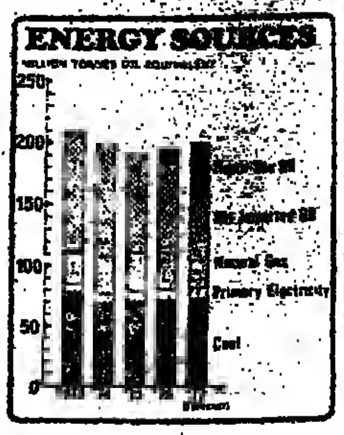
But the Brown Book adds that a good deal of natural gas is being wasted. This gas is associated with oil fields rather than being trapped in gas fields. In 1976 only 12 per cent. of the 860m. cubic metres of associated gas was used commercially (either sold or used for power at the fields). The rest was flared into the atmosphere.

The report accepts that gas flaring is likely in the early stages of oil production. The installation of offshore compression equipment and gas-driven utilities or a gas gathering pipeline (now being evaluated by Government) would reduce the wastage.

Between 1965 and 1976 capital investment on offshore oil and gas was about £5bn. with a further £2bn. remaining to be spent. An additional £3bn. may be spent on new developments up to 1980.

Regular offshore employment has risen to about 9,200 — an increase of 50 per cent. on the 1975 estimate. About 100,000 employees in the U.K. are involved in work associated with offshore development. Between 56,000 and 65,000 of these are based in Scotland.

Development of the Oil and Gas Resources of the U.K. 1977 — A Report to Parliament by the Secretary of State for Energy. SO, £2.25.



ESTIMATED OIL RESERVES IN U.K. LICENSED AREA

(m. tons)

	Proven	Probable	Possible	Possible total
Fields in production or under development	1,070	110	80	1,260
Other significant discoveries not yet fully appraised	310	460	470	1,240
Total discoveries	1,380	570	550	2,500
Expected discoveries from present licences (including—fifth round)		350	350	700
Total from existing	1,380	920	900	3,200

FORECAST OF U.K. CONTINENTAL SHELF OIL PRODUCTION

(m. tons)

	1976	1977	1978	1979	1980	1981
1976 forecast	15-20	35-45	55-70	75-95	95-115	—
Current forecast	—	40-45	60-70	80-95	90-110	100-120

Source: Department of Energy.

Photograph: Gus Wylie

Going nowhere fast.

This car is doing 70 or so, but it'll never get anywhere. What we're simply doing is testing motor oil performance in a car engine, with the car mounted on one of the dynamometers at our Coryton Research and Technical Service Laboratory. The dynamometer uses rollers that rotate under the vehicle allowing us to test engines and lubricants under all sorts of simulated driving conditions without actually taking cars out on the roads. Very useful, because we can put precise controls on the testing.

We select the latest models from car manufacturers all over Europe for testing at the Coryton labs. We check our oils for their wear protection, their performance at high temperatures, and their stability against oil shear.

In a going-nowhere run like the one in the photo, we can put an engine through 20,000 miles of motoring conditions of the most punishing kind. It's just one of the jobs we do at Coryton to develop and test automotive lubricants for car owners.

One of the most important developments to come out of Coryton recently is new Mobil Super motor oil.

This is a new multigrade oil specifically meant for today's high revving, hard working engines. It gives first class performance over a wide range of temperatures—it's heavy enough for the hot weather, yet light enough to get you going when it turns cold.

Mobil Super has been on the market only a few weeks, and already it's something of a best seller. The right oil at the right time, it seems.

We're delighted to have developed Mobil Super. Makes us think we are really getting somewhere.

Mobil®

HOME NEWS

Carter may send energy team to U.K. for talks

BY ANDREW TAYLOR

THE POSSIBILITY of an exchange visit to the United States to discuss nuclear energy policies was raised this month during the visit by Mr. Anthony Wedgwood Benn, Energy Secretary, to Washington.

Mr. Benn has discussed with the Carter Administration a wide range of nuclear issues including the U.S. attitudes to fast breeders and nuclear waste storage and reprocessing.

A further exchange of views is likely when President Carter's energy team has settled into its new office and Mr. Benn could make a return visit to the U.S.

The British Government is likely to allow time for the Senate to debate fully President Carter's controversial energy Bill—which has prompted a furious reaction from the influential U.S. automotive industry—before further discussions take place.

Mr. Benn is understood to have stressed the importance of North Sea oil in the U.S. Administration and reported on difficulties in the European Community over the future of the £70m. Joint European Torus (JET) nuclear fusion project which is seen as critical to the British nuclear power industry.

He has also underlined the importance of nuclear fusion to supplying long- and mid-term energy requirements as well as stricter controls on the handling of waste nuclear material. Uranium supply and demand linked to the writing down of projected fast breeder requirements was also discussed.

Mr. Benn still has not been able to agree a common EEC energy policy with outstanding issues, such as the Torus research project, causing concern. He is understood to have expressed firmly his concern about delays over Torus during a series of visits to Europe this year.

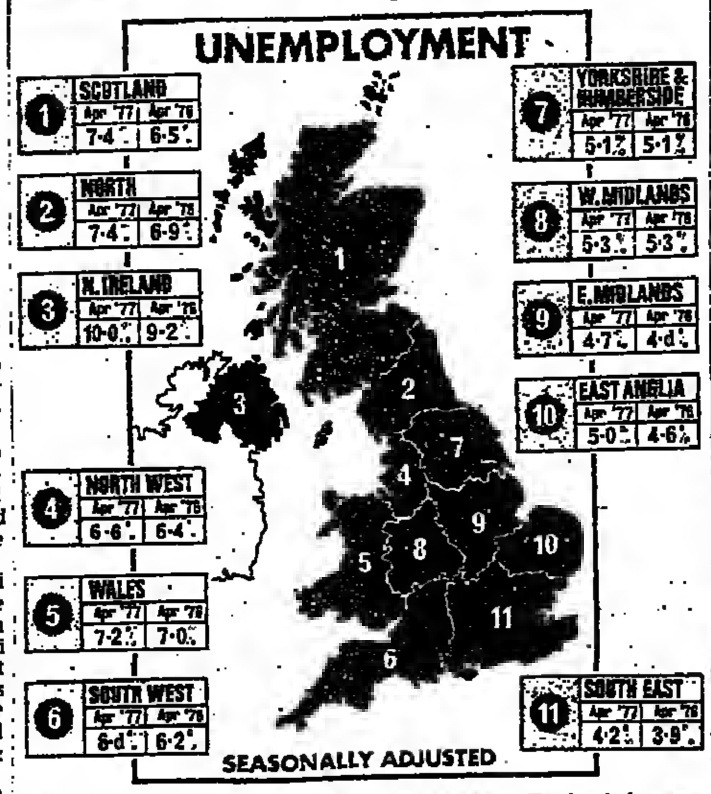
Mr. Benn has also taken a tough stance over suggestions of an EEC stake in North Sea oil and the possibility of favourable oil prices to Community members.

During his tour of European capitals and his visit to Saudi Arabia and the U.S., Mr. Benn is thought to have raised the possibility of a world energy conference involving major consumer and producer nations.

There has, however, been no firm indication that leading producers, such as Kuwait and Saudi Arabia, would be prepared to discuss energy outside the existing North-South talks.

Forecasts suggest that Saudi Arabia will have the capacity to produce 14m. barrels of oil a day by 1979. The Saudi Arabian's estimate that by that date world energy requirements will far exceed capacity and the Soviet Union in particular will be unable to continue supplying the needs of Eastern Europe.

Mr. Benn is due to visit Russia next month where he will discuss the Soviet Union's energy role in Europe. The USSR already has links with some EEC countries: Iranian natural gas is transported to West Germany by way of the Soviet Union.



THE regional breakdown of unemployment figures shows that differences in the jobless rate throughout the U.K. remain large. Indeed, indications earlier in the recession that these gaps were narrowing has been counter-balanced to a certain extent during the past three months by a continued rise in the total in some areas of traditionally high unemployment such as Scotland and northern England, in contrast to a slight fall in south-east England.

Another feature of the current economic cycle has been a large rise in the number of women who are unemployed—up from 147,000 to 333,800 during the past five years. The female share of total unemployment has increased from 16 to 34 per cent. in this period.

New finance scheme for industry

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE DEPARTMENT of Industry is shortly to introduce its latest financial incentive scheme for manufacturing industry. It will be a Product Development aid scheme.

This will simplify the support to industry already available under the Science and Technology Act 1965.

Two schemes introduced in the 1960s have since become so complicated as to be almost unworkable.

The Pre-production Order scheme and the Collaborative Development Contract scheme will be scrapped and replaced by something that industrialists will find easier to understand and the Department will find easier to administer.

Possibly up to £20m. will be made available to assist companies with product development.

The new and simplified Product Development scheme springs directly from the industrial strategy programme because a number of the sector working parties have said that improved product development is essential to their industry's success in international markets.

The Government has been able to incorporate support for product development in several of the individual industry aid schemes already launched—those for the textile machinery and for the printing machinery industries make a particular point of this facility.

But there are more than 30 industrial sectors involved in the industrial strategy programme which do not have their own Industry Act aid schemes.

The Product Development Scheme will be designed to assist them.

Welsh agency buys stake in Wettern

Financial Times Reporter

THE WELSH Development Agency has announced a shares-and-loan deal with Wettern Electric to finance large-scale production of a new power cable jointing system at Rhyl, North Wales.

The agency has acquired a 30 per cent. shareholding in Wettern Electric and is providing the Clwyd-based company with a loan of £150,000. The investment is expected to lead to the creation of 50 new jobs in an area of high unemployment and should boost overseas earnings. Wettern now employs 20 people.

Breakthrough

Mr. Ian Gray, managing director of the agency, said: "Our investment in Wettern Electric is a partnership in which the agency's resources and the company's know-how are combined to the benefit of an essential public service and the prosperity of Wales."

Wettern Electric claims a breakthrough in the design of junction boxes for jointing underground electricity supply cables. The company is predicting a big demand for the junction box from area electricity boards. It has already won orders from Australia, Singapore and the Middle East.

When production reaches its peak overseas sales should account for half the output of the Rhyl plant.

Concorde routes under review

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

POSSIBLE changes in the flight paths of Concorde to and from the U.K. and France to reduce any disturbance caused by sonic booms are being considered by the two governments.

Mr. Stanley Clinton Davis, U.K. Aviation Minister at the Department of Trade, said in a letter to Mr. Patrick McNair-Wilson (Conservative, New Forest), that the two governments had reconvened the Anglo-French Sonic Boom Working Group.

In recent months there have been reports of sonic booms from Concordes travelling to and from the U.S. as they passed over the western end of the English Channel.

"Although some secondary booms are being experienced from British Airways' Concordes, the primary boom problem, and most secondary booms, emanate from Air France aircraft.

"These aircraft fly outside U.K. territorial waters where we have no legal jurisdiction over them. We must therefore proceed in co-operation with the French."

Mr. Davis said it seemed possible that with French agreement some reduction in primary boom disturbance could be achieved.

Mr. McNair-Wilson said he hoped the Minister would continue to keep a careful watch on the problem. "While I am a strong supporter of the aircraft, we must recognise that those who live under or near its flight path must also be considered."

Another aspect of Concorde which has received little attention is its reliability in passenger service, which has been better than many other new types of aircraft entering service in recent years.

M. Jean Claude-Martin, the Air France director responsible for Concorde, told an Aviation Risk Management conference at Heathrow yesterday that in its first year of passenger operations Concorde achieved higher standards of reliability than the Boeing 747 had achieved with Air France in its first seven years.

Only 0.12 per cent. of all Concorde flights had been cancelled for technical reasons, compared with 0.29 per cent. for the Boeing 747. Punctuality (measured by the number of departures achieved within five minutes of the advertised time) was 79 per cent. for Concorde and 40 per cent. for the Boeing 747. Only one Concorde flight had been made at a reduced height because of possible radiation hazard.

Public school heads warned

PUBLIC SCHOOL heads were warned yesterday that the lazy English habit of expecting foreigners to speak English is one of the problems which have to be faced by language teachers.

A Headmasters' Conference working party report on language teaching expresses some of the concern over language teaching expressed recently in a Department of Education and Science report.

New timetables published

BRITISH RAIL Southern Region has produced three new passenger timetables, each priced 20p, covering services run by the region's three divisions. The timetables apply from Monday, May 2, and can be obtained at most stations.

One book covers South-East London and Kent, the second South London and Sussex, and the third South West London, Surrey, Hampshire, Dorset, and the Isle of Wight.

British Road Services starts rescue operation for vans

BY ANDREW TAYLOR

A NATIONAL commercial vehicle breakdown recovery and repair service is to be launched on Sunday by British Road Services, which believes it could provide up to 10 per cent. of the group's pre-tax profits by 1980.

BRS, the road haulage arm of the State-owned National Freight Corporation, has steadily increased the range of its services over the past five years as profit margins on the road haulage side have narrowed drastically. Less than half the group's profits are now generated from haulage.

The breakdown service will give 24-hour cover for members who sign with BRS Rescue, and will provide a comprehensive range of services operating out of 60 main depots and 120 smaller ones.

Mr. Clive Beattie, group controller of planning and development, said in London yesterday that BRS rescue would operate nationwide with a fleet of 85 heavy-lift breakdown recovery vehicles and 300 smaller repair vans. In addition to the group's own resources, the rescue unit would also have a back-up service of 200 outside garages, on permanent call, which will act as BRS agents.

Membership rates would range from £3 a year for single vehicle owners to a maximum of £18 for large fleet owners with more than 50 vehicles.

The group is also offering repair and recovery facilities at what are claimed to be "highly competitive" rates. "This is because we are using in the main existing facilities, and are therefore able to keep overheads down. The total cost of the launch was around £700,000," said Mr. Beattie.

Mr. Beattie said that members with BRS rescue would be provided with:

- Immediate roadside repairs. Each repair and recovery vehicle is fitted with in-cab radio to aid efficiency.
- Credit facilities to alleviate drivers' worries about finding cash for on-the-spot repairs.
- Towage facilities.
- Back-up repair service depots.
- Truck rental, so that loads can be delivered while major repairs are carried out.

The nerve centre of the operation is a Freefone to the group's Birmingham base, which will then contact the nearest repair depot. A service is available to non-members, but at higher rates.

The rescue division increases BRS's growing list of interests which include contract hire, truck rental, warehousing and distribution.

Mr. Beattie said that, if the rescue service realises its potential, it could produce up to [illegible] per cent. of total group profits in three years.

European interest rates 'may fall'

By Michael Blanden

FURTHER REDUCTIONS in European interest rates are possible over the next few months as industrial loan demand remains weak in a number of countries, it was said yesterday by Williams and Glyn's Bank in its review of interest rate trends.

In the U.K., however, rates could be pushed up earlier if there is a high level of settlements in the next round of pay negotiations. And European rates generally are likely to reflect developments in the U.S., where it is still expected that the level of rates will rise later in the year.

Because of the U.S. Administration's decision to trim its reflationary package, the bank comments that the rise in rates there is now felt likely to be less than had been expected.

Over the past month, the downward trend of European interest rates has continued, but less strongly than in the previous month. In the U.K., the fall has continued, with minimum lending rate being reduced by 1 per cent. to 9¼ per cent. on March 31 and since coming down to 8¾ per cent., followed by another ½ per cent. drop to 9 per cent. in bank base rates.

The Netherlands bank rate was cut by ½ per cent. to 4½ per cent., with a similar reduction in bank overdraft rates from April 18. In Germany, savings bank rates fell by ½ per cent. to 3 per cent. on April 6, and rates in France have drifted down slightly, reflecting greater stability in the exchanges for the French franc. Switzerland went against the trend with rates slightly higher.

More fears of big cuts in shipbuilding

BY ROY ROGERS, SHIPPING CORRESPONDENT

FURTHER indications that widespread cuts may be necessary in the shipbuilding industry if new orders do not pick up come to-day from the Shipbuilders' and Repairers' National Association.

The association, shortly to be wound up as a result of nationalisation, says that in the first quarter of this year British yards secured orders for 18 merchant ships totalling 96,700 gross tons.

While something of an improvement on the corresponding period of 1976—when 14 vessels totalling 51,600 tons were ordered—new orders are still well below levels required to keep the industry at its present size.

If orders remain at their present level then production at U.K. yards will reduce gradually to about 40 per cent. of existing capacity. However, there is a fair chance of Britain's winning some orders from Poland and Nigeria soon.

The industry's total order book, excluding naval work, at the end of March stood at 195 ships of 2.7m. gross tons with an estimated value of £931m. Of these 125 ships—1.9m. gross tons—and worth an estimated £598m.—are for registration in Britain and 70 ships—760,000 gross tons—valued at £333m. are for overseas registration.

A year ago, the total order book was 235 ships—3.96m. gross tons—valued at £1,048m.

Hopes that the problem of over-capacity in the industry, especially in the oil tanker building and operating side, might be eased by an accelerated scrap programme are discounted by H. P. Drewry shipping consultants.

A study, Ship Obsolescence and Scrapping, published to-day concludes that accelerated scrapping is not likely to be a factor in reducing tanker surplus. In the absence of new shipbreaking techniques being developed, Drewry forecasts that large ships, such as unemployed supertankers, may be left to rot.

The volume of vessels to be scrapped during the next five years is likely to remain about 10m. dwt. a year, the 1976 rate which was up by about a third from 1972 levels.

Oil carriers

In 1975 and 1976 the volume of ships sold for demolition increased substantially, because of the shipping market depression. But, this put pressure on world total ship-breaking capacity and also called into question the durability of scrap prices and demand.

The study notes that since 1972 tankers and non-tankers have reversed their share of total demolition volume, with oil carriers last year accounting for 88 per cent. of total scrapping tonnage—up from only 24 per cent. in 1972.

It also points out that the increased volume of very large crude carrier tonnage scrapped because of obsolescence is being offset by postponement of the scrapping of smaller tankers.

Law insurance for employers

By Eric Short

AN INSURANCE contract designed to cover legal expenses incurred by employers in the course of their business has been launched by DAS Legal Expenses Insurance Company.

The package provides for legal defence and appeal costs arising from claims relating to contracts of employment taken by employees and former employees to industrial tribunals and civil courts.

It also covers disputes with employees' former employees or prospective employees under the Race Relations Act and the Sex Discrimination Act.

Renault car prices rise

RENAULT cars' retail prices in Britain will be increased by an average of nearly 4 per cent. on May 9.

In spite of the problems of higher costs which have affected car makers, Renault claims its price rise is significantly below that announced by other manufacturers this spring.

Healey pay plan 'too stringent'

THE CHANCELLOR of the Exchequer's plan for Phase Three to hold wage increases below 10 per cent. was too stringent to be acceptable, Mr. Guy Barrett, president of the Bradford Chamber of Commerce, said yesterday.

He asked that the views of the Chamber of Commerce movement should be considered in any discussions which take place.

Mr. Barrett suggested a 5 per cent. increase across the board, with a minimum of £2.50 a week, in return for unions seeking to increase productivity and alleviate strikes. With tax reductions this would give the low-paid worker an overall increase of about 7½ per cent.

There should be a further [illegible] per cent. of the wages and salary bill allowed to each company as a kitty to restore the differentials of skilled workers and management to a certain extent and 2 per cent. as a kitty to consolidate the amounts awarded under Phase One and Phase Two. With an expected 3 per cent. wages drift, the result could be an increase over the year of the nation's wages and salaries bill of 13 per cent.

"This figure may well seem high, but we must remember that politics is the art of the possible and it is far better to have an agreement on these lines than no agreement at all."

LABOUR NEWS

Seamen threaten supply of oil in helicopter row

BY RAY PERMAN, SCOTTISH CORRESPONDENT

OIL production from the North Sea was threatened yesterday by an ultimatum from seamen's unions in support of the striking pilots at Bristow Helicopters, Aberdeen.

Companies were told by the National Union of Seamen and the Merchant Navy and Airline Officers' Association that any rig or platform accepting a Bristow helicopter flight after mid-night last night would be blacked. This would cut off vital supplies of food, drilling mud and other equipment normally brought in by sea.

One of the first companies affected could be British Petroleum, which relies on ships from its Dundee and Lerwick bases to supply the Forties Field. BP normally uses up to ten Bristow flights a day, mainly for personnel, but is now down to half that number.

The fourth platform in the field, Forties D, is due to begin production shortly and this could be delayed if supplies are cut off.

Four oil fields and 14 rigs are serviced by Bristow. By threatening production, unions hope to persuade oil companies to use their weight to get the dispute settled.

The helicopter company is under pressure from the Transport and General Workers' Union, which is blocking supplies of fuel to the base at Aberdeen and may also block the company's headquarters at Redhill, Surrey, to prevent fuel being transferred by private lorries.

Posting dispute

The International Transport Federation has promised to stop an attempt to refuel helicopters at sea from a Swedish tanker.

The 12-day strike began with a dispute over a move to post Capt. Peter Royston to Malaysia, but behind it is the attempt by the British Airline Pilots' Association to gain membership in the company and in the North Sea helicopter business generally.

Mr. Bill Banning, full-time official of the association, handling the strike, said that it could be settled immediately if Capt. Royston were re-instated, dismissal notices against the 50 strikers withdrawn and there was no victimisation. The recognition issue could wait.

The main stumbling block to an early end to what on the face of it is a simple matter is the attitude of Mr. Alan Bristow, chairman of the company, who refuses to recognise trade unions and refuses to discuss the dispute.

To the unions, trying, so far without much success, to organise the oil industry, his attitude is typical. Mr. Jimmy Milne, general secretary of the Scottish TUC, said: "Just as BALPA cannot afford to lose this dispute, the trade union movement cannot afford to let BALPA lose.

"There are enough mavericks in the North Sea without Bristow joining them."

Peace negotiations break down at Halewood

BY OUR LABOUR STAFF

TALKS AIMED at settling the 11-day strike at Ford Motors' Halewood factory broke down last night.

A company spokesman said no new talks had been arranged and the position looked "bleak." Production losses were mounting at the rate of nearly £3m. a day.

The strike, over disciplinary procedures and separate negotiating rights on disciplinary matters for an engineering shop steward in the body plant, has so far cost the company 7,000 Escorts with 8,000 men laid off at the Merseyside factory.

Transit van production—dependent on gearboxes produced at Halewood—has stopped at Ford's Southampton plant, where 900 vans worth £2½m. have been lost. Production losses for both operations total £16m.

The Cortina lines at Dagenham use Halewood-made gearboxes, and though Ford has been coping there by using a stockpile of gearboxes it is reviewing the position. A shutdown at Dagenham could soon have widespread repercussions in firms which supply the factory.

Yesterday's talks between Ford management and representatives of the 1,200 strikers broke down over the original issue on which the strike developed—the suspension of eight men by the company for leaving work early.

Shop stewards want the company to rescind the suspensions. The company has said it will not do this at least until all other areas of dispute with the strikers are cleared up.

● The strike by internal drivers which halted car production at Jaguar's Coventry plant ended yesterday when the men, who walked out more than a week ago over a pay claim, voted to return to work. Normal production is expected from to-night.

Maintenance men told to end their strike

By Nick Garnett, Labour Staff

STRIKING engineers and maintenance men at Heathrow airport were again instructed to go back to work yesterday after the Amalgamated Union of Engineering Workers' executive rejected a request to make the dispute official.

The strikers' shop stewards, who met Mr. Hugh Scanlon, the president of the AUEW, at its executive meeting, were disappointed at the result which could prove to be the most significant move to end the dispute.

Some of the shop stewards expect more of the strikers, who are financially hard-pressed after more than three weeks without pay, to cross picket lines and return to work.

Mr. Jack Gatsky, the strike leader, said that if there was at least a 60 per cent. vote to continue the strike at to-day's mass meeting in Southall shop stewards would be recommending that the men stay out.

The engineering union's executive voted overwhelmingly against the request to make the strike official after studying a document drawn up by other unions with members at Heathrow.

The other unions said a solution to the engineers' claim for shift pay improvements and separate negotiating rights for their shop stewards—the cause of the dispute—can be found.

British Airways is planning to operate all of its long haul inter-continental services from Heathrow to-day for the third consecutive day. This means a full programme of 27 flights to such places as North America, the Caribbean, the Middle East, Far East, Australia and East and South Africa.

The airline's short haul routes from Heathrow to Europe will again have 70 per cent. of services operating. Domestic links from Heathrow to Belfast and Edinburgh will also continue. Services between regional airports in the U.K. and from regional airports to Europe will continue at an almost normal level.

British Airways said all its stations other than at Heathrow were working normally. At Heathrow more maintenance engineers were resuming normal working, a trend which started on Sunday.

OBITUARY

Sir Dan McGarvey, a colourful leader

SIR DAN McGARVEY, one of the most senior and most colourful of TUC leaders, died yesterday at the age of 57 after a long illness.

Sir Dan, who was president of the Amalgamated Society of Boilermakers for the last eight years, was knighted in the New Year's honours list and was this year's chairman of the TUC.

He was also one of the six TUC leaders on the National Economic Development Council who negotiated the social contract and subsequent voluntary pay policies with the Government—an important role which he had been unable to fulfil because of his bad health.

In spite of his responsibilities within the TUC, the Labour Party and most recently at the Manpower Services Commission, he remained a rough and down-to-earth Glaswegian who was never afraid to say exactly what he thought. When roused, he could deliver a fearsome attack in a voice of thunder at big gatherings. In private his canny air and impenetrable accent often left his listeners bemused.

He presided over the Boilermakers during the toughest era for British shipbuilding and difficult relations between the shipbuilding unions; the Boilermakers have adopted a policy of breaking down demarcation lines in the yards, but the process is far from complete.

Now the 136,000-member union is apparently near agreement on a merger with the General and Municipal Workers Union, which represents unskilled men in the shipyards.

Sir Dan will be remembered particularly for the rescue of Upper Clyde Shipbuilders. He was largely credited with finding the Texas company, Marathon to take over the Clydebank yard for building oil rigs.

The son of Irish parents, and a devout Catholic himself, Daniel McGarvey was born in Clydebank, left school at 15 and was apprenticed as a caulker at John Brown's shipyard. By the age of 23 he was a branch secretary and from then on was an official with the union.

Mr. Len Murray, TUC general secretary, yesterday paid tribute to his "honesty of purpose, courage in pursuing a better deal for working people, his integrity and warmth."

Mr. James Callaghan described him as a "pugnacious fighter, combining those fighting qualities with all the warmth, humour and comradeship of his native Glasgow."

Mr. Tom McIver, managing director of the Swan Hunter group, called him "a great and honourable man" who fought hard for his men but honoured every bargain he ever made.

Sir Dan leaves a widow, Jean, and two daughters.

Lord Allen, general secretary of USDAW and chairman of the TUC Economic Committee, said: "This is a serious and grievous blow to the trade union movement and particularly to the trade unionists he has so stoutly defended in the North-East. As a member of the TUC general council and as a friend his death will be a sad loss."

Questionnaire on pay called biased

A QUESTIONNAIRE prepared by the Advisory, Conciliation and Arbitration Service was criticised yesterday in the High Court as "inadequate and biased."

The questionnaire is to go to the 4,500 staff of Legal and General Assurance, in which Mr. Clive Jenkins's Association of Scientific, Technical and Managerial Staffs is seeking bargaining rights. The union claims to have about 1,100 members at the company.

The association's bid is opposed by the 500-strong Legal and General Staff Association, which complained to Mr Justice Browne-Wilkinson that the questionnaire made no reference to the association. It asked employees only if they want Mr. Jenkins's union to negotiate pay and conditions for them

Gormley widens rift over pay restraint

BY OUR OWN CORRESPONDENT

THE RIFT between one of the country's most powerful unions and the Government over the next stage of the social contract was deepened yesterday by Mr. Joe Gormley, president of the National Union of Mineworkers.

Normally billed a union moderate, Mr. Gormley continued his hard line on the wages issue by pouring scorn on the whole idea of further pay restraint in another formal pact between the TUC and the Government.

He was addressing the Midlands area conference of the NUM in Blackpool only a few hours after Mr. Eric Varley, Secretary for Industry, spelled out a message on the imperative need for the trade union movement and the Labour Government to stick together.

Mr. Gormley scolded the Government for "souring relations with its traditional supporters." He added: "I am warning them that to introduce an incomes policy that seems to be saying 'hold back wages' will lose votes.

"To say that if we don't have phase three of the social contract, there will be a great wages explosion is a load of poppycock. It just won't happen.

"They don't need to worry about the next election if they will go the right way. We will do our damnedest to get a Labour Government back."

Earlier in the conference, Mr. Varley had expressed the hope that, by patient negotiation in the next few months, the TUC and the Government would be able to reach a pay deal that would curb inflation.

Mr. Varley claimed that, if the Government's industrial strategy is going to be given a real chance to produce a higher living standard for the country, the Labour Government must stay in office. He maintained that the alternative—a Right-wing Government led by Mrs. Thatcher—was "too horrible to contemplate."

Shop union in markets protest

By David Churchill, Labour Staff, in Scarborough

LOCAL AUTHORITIES who refuse to prosecute illegal Sunday traders, especially in temporary street markets, will be taken to court by the 400,000-member shopworkers' union to force them to take tougher action.

Delegates on the last day of the Union of Shop, Distributive and Allied Workers' annual conference in Scarborough overwhelmingly backed a resolution calling for stricter enforcement of Sunday trading laws.

Mr. John Phillips, the union's assistant general secretary, told delegates: "If we get details of local authorities failing to carry out their duties, we will initiate a test case against them to force some action."

The conference also expressed concern at the trend towards late opening of shops because of the extra work this meant for union members.

● The 8,700-member Scottish Bakers Union is likely to merge with USDAW after a ballot of its members.

Pressure for more aid to young jobless

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

THE GOVERNMENT faces mounting pressure to expand the programmes to help the growing number of unemployed school-leavers.

According to a report endorsed yesterday by the Manpower Services Commission large-scale unemployment among young people is a long-term problem which can only be kept in check by means of an expanded package of measures.

A working party with membership drawn from Government departments, the commission, the Confederation of British Industry and other interested bodies has recommended a programme which would cost £168m. gross in its first year. The details will be discussed with the Government.

Once saving in unemployment benefits and tax deductions are taken into account, the net cost to the taxpayer would be £67m.—£27m. more than the present short-term measures introduced by the Government.

The report recommends that the Government's present schemes—including work experience, job creation, and youth employment subsidy—should be rationalised and put on a longer-term basis under a small, but unified administrative structure.

The objective would be to extend the range of present facilities to provide courses to prepare young people for work. The main cost would arise from payments to trainees, rationalised as standard allowances of perhaps £18 a week.

Priority would be given to helping unqualified and less able people. For example, in the current year only 20-30 per cent. of the 800,000 registering as unemployed would be eligible.

The report stresses that a Government decision would be required by June to enable the programme to start in the autumn and be ready for full implementation 12 months later.

SAUDI ARABIA AND KUWAIT

Royal succession in Middle East

By ANTHONY McDERMOTT

SAUDI ARABIA and Kuwait, two of the richest and most influential of the countries in the *Middle East, are facing problems* created by the ill health of their rulers.

King Khaled of Saudi Arabia and Sheikh Sabah al Salem al Sabah, the Emir of Kuwait, have been spending several months in London for prolonged medical treatment. By all accounts, it has been successful, but the two rulers' ailments and continuing frailty have stimulated rumours and speculation that they might either abdicate in favour of their deputies or accept formally to reign rather than rule. While there has been official silence from Kuwait about abdication rumours, Crown Prince Fahd, generally regarded as the day-to-day governor of Saudi Arabia, has just issued—ironically in the Kuwaiti newspaper al-Siyasa—a categorical denial that bis brothar, King Khaled, was planning to abdicate because of ill health.

In neither country are political upheavals likely in the event of their rulers abdicating or dying, for both bave active Crown Princes who bave been effectively running their countries for several years: in Saudi Arabia, Prince Fahd, the Crown Prince and First Daputy Prime Minister, since the assassination of King Feisal in March, 1975, and in Kuwait, Sheikh Jaber al Ahmed al Sabah, the Crown Prince and Prima Minister. King Khaled bas played, by and large, the role expected of him, for he is a man of modest and conservative tastes with deeper *interests in the affairs of Saudi* Arabia's tribes than domestie government and international politics. At the same time, there is evidence that he is reluctant to abdicate, and Prince Fahd has been careful to observe the courtesies and niceties of protocol, although he is politically more influential. Thus, if Fahd were to become ruler, in name as well as deed, the general thrust of policies ara not expected to change, except that some observers believe be would be less lenient towards Egypt and Syria, and more prepared to champion close relations with the U.S.

Involved

The same situation applies in general terms to Kuwait. The present ruler, who succeeded his brother on his death in November, 1965, was initially far more deeply involved in the daily running of his country than King Khaled is in Saudi Arabia, but in recent years, particularly during the periods of illness, Sheikh Jaber al Ahmed al Sabah, the Crown Prince, has not only been fully in charge but also, during the Ruler's absence abroad, borne the official title of Acting Ruler.

The questions of transferring power and allocating cabinet posts ara worked out entirely within the councils of the respective royal families, and attendance at the council is decided by seniority. In Kuwait, *there is no precedent in recent* history for the removal of a ruler. But in 1964, King Saud, who bad almost succeeded in bringing Saudi Arabia to bankruptcy, was forced by Prince Feisal, with family backing, initially to relinquish power. A few months later he was stripped of his titles by formal deposition and Feisal became king. Unlike any of the possible transfers of power to-day, King Saud's demotion was an acrimonious exerciso made the more painful by his taking refuge in Egypt—an arch-enemy of Saudi Arabia at that time.

The political complications will begin after the deputies have become rulers, and when their vacated posts have to be allocated. In Saudi Arabia there are several candidates for Crown Prince. There are certain accepted familiar qualifications, for example that he should be a son of King Abdul-Aziz Ibn Saud, who is regarded as the founder of modern Saudi Arabla and who died in 1953. This rules out a compromise candidate, Prince Saud Feisal, the Foreign Minister and son of the late king. Another qualification is to be one of the seven sons of Hassa bint Sudairi, the favourite wife of the prolific King Abdul-Aziz. These include Prince Fabd himself, Prince Sultan (Defence Minister), Prince Sulman (Governor of Riyadh), Prince Nayef (Interior Minister), and Prince Turki (Sultan's deputy). But the very predominance of the "Sudairi Seven" (as the seven sons are known) has provoked a counter-reaction. Last month, at a meeting of the Council of Elders, or royal family, it was decided that Prince Abdallah, the Second Deputy Prime Minister and the commander of the National Gnard—thereby an important figure in Saudi Arabia's security—should succeed as Crown Prince. He ia believed to be close to King Khaled and to share bis concern for the interests of the tribes. Amoog the Sudairis, Prince Sultan is reckoned to be the frontrunner for the position of Crown Prince.

Secrecy

Competition in Kuwait is for the posts of Crown Prince and Prime Minister. At present they are both beld by Sheikh Jaber al Ahmed al Sabah. Within the Sabah family there are two branches, the Jabers and the Salems, and this division makes it likely that in the future the two posts will be separated. At present, Sheikh Jaber al Ali, a Salem, a conservativa and outspoken personality who spent betwean 1972 and 1975 in the political wilderness is believed to be the most likely successor as Crown Prince. He is currently Deputy Prime Minister and Information Minister. A favourite for becoming Prime *Minister is Sheikh Saad* (another Salem), but the Foreign Minister, Sheikh Sabah al Ahmad (a Jaber) could be the main contender.

But bow these speculations are translated into fact will be shrouded in secrecy. Royal family discussions and arguments on the Arabian Peninsula — not to mention speculation about succession — are regarded as intimate and sensitive topics to be kept from outsiders. At the sama time, nearly all members of the royal families recognise that, whatever the depth of their disagreements, there bave to be, in the end, limits beyond whicb individual and clan claims cannot be pushed without damaging the whole system.

Outside this in-group, any ruler, particularly a new ona, will face the challange of politics evolving—under the impact of education, better communications, the increasingly sophisticated decisions to be made about industrialisation and the increasing involvement of the two countries in important international problems — away from tribal loyalties towards party interests. In Saudi Arabia, the principle that the Ruler's word dominates is still accepted. But in Kuwait, until last August when the Constitution and the National Assembly were suspended, politics had radical and party views whicb did oot challenge the authority of the ruling Sabab Family directly but which encouraged open political discussion. What is to be done aboot amending the constitution is still to be decided.

Britain will be wetching these developments with interest rather than concern, for the signs are that, if these political changes occur, they will not have a profound effect on tha two countries' existing policies.

British links

Britain has good reasons for showing interest. Its bistorical and political links with tbe area go back several canturies. Nowadays these have become mainly economic. Saudi Arabia is the largest Arab export market (Kuwait the fifth) and the largest source of oil (followed by Kuwait). Saudi and Kuwaiti investments in Britain are considerable. In broader terms the geographical position of the two, together with Saudi Arabia's dramatically expanded ideological and political influence in the Arab world and its role in OPEC—here however on prices Riyadh and Kuwait are at odds—make tha political questions of succession and the allocation of subsidiary posts of prime international interest, no matter how little Saudis and Kuwaitis would like this to be the case.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● OFFICE EQUIPMENT

Processor for many words works fast

ANNOUNCED by Wang Laboratories in London yesterday, in good time for the Word Processing Exhibition (May 10-12 in London), is its 10A processor which comes as a single display and keyboard or small cluster of work units for a typical office with controller, double floppy disc and print unit.

The bidirectional daisy wheel printer allows operation at 40 characters per second and the display of 80 characters by 24 lines permits adjustment of character brightness and general screen intensity to cope with variations in office lighting levels.

Capacity of the non-removable system disc is up to 200,000 characters or upwards of 80 pages of text. The removable disc or archive disc can hold up to 120 pages.

Minimum operator training and operator prompts go hand-in-hand with layout aids—automatic centring, indenting, decimal alignment etc.

Another speed adjunct is a "glossary" which cuts the entry of commonly used words or phrases to only two keystrokes.

This is powerful equipment that will make light work of letter writing. But it is much more than that because of the ease of manipulating texts in memory and amending, erasing or otherwise transforming them so that perfect legal documents—for instance—of whatever complexity can be turned out.

The WP 10A and an editing station for use with other processors was among several new releases from the company which also disclosed the existence of what it calls a personal computer, a desk-top model looking like a display and keyboard but with an additional mini-disc unit above the display.

Many peripherals can be used with it and while it will appeal primarily to the engineer and the scientist, its ease of use places it within the reach of many more potential operators including businessmen and students.

More on both units from the company at Argyle House, Joel Street, Northwood, Middx. Northwood 28211.

● HEATING

Solar panel developments

FIVE YEARS ago double glazing was in its infancy, and was regarded as a luxury for the wealthy. Now it is a £40m. industry and looked on as a routine house improvement. Aluglaze, one of the leaders in the double glazing field, is convinced that solar panels are about to follow suit.

In launching its own solar panel system, the company considers the market is ready for a boom.

The system, developed in conjunction with Alcan Laboratories, Banbury, follows the classic design, but with emphasis, naturally, on aluminium construction. Framed in bronzed aluminium extrusions, to be as unobstrusive as possible, the panels, glass-fronted, contain an insulation-backed roll-bonded pair of aluminium sheets, containing ducts through which water flows.

These panels are mounted facing south on the roof of a house, directly on the tiles and secured to the roof timbers. An extra hot water tank is installed, and this is heated by a pumped closed circuit taking the flow from the panel. Pumping only takes place while there is a temperature differential. The hot water produced is used to feed the domestic hot water tank.

Aluglaze says that last year 5,000 solar panel systems were installed, and forecasts at least 15,000 installations this year, which could increase to 50,000, if the public becomes interested, which with the rising cost of fuel, is likely. The company says that energy savings can be as much as 52 per cent. over a year.

Total cost of a domestic installation, which would probably be carried out by an Aluglaze dealer, is expected to be around £700, or roughly similar to having a house double-glazed throughout. The company admits this will probably be the most expensive system on the market, but claims this is justified in terms of design, construction, reliability and appearance.

Trade enquiries to Aluglaze, Raans Road, Amersham, Bucks. (024-03 21281)—an Alcan Group company.

Another design

From Newman Controls comes a report on a solar panel developed by the Thermodynamics Unit of Bristol University, and sponsored by the parent company, Newman-Tonks. Newman Controls was set up in Bristol last year to research and develop products for low-grade heating by solar energy to the point of manufacture and marketing.

In this panel the absorbed surface has a cross-section resembling a series of gothic arches. Apart from providing the water channels, this shape (connected parabolas) is considered to absorb much more of the secondary radiation reflected from the back of the protective glass cover than other types of panel. The theoretical total absorptivity is stated to be 96 per cent., and is aided by a coating of matt black paint (Nextel from 3M) which is selectively absorptive, and by a partial vacuum acting as insulation.

The report states that these panels are up to 60 per cent. efficient, but firmly dismisses the use of such panels in domestic applications. The company is, however, convinced that the panels could be used with advantage in industrial and commercial buildings in the U.K., where a demand for low-grade heat is consistent throughout the year, and a south-facing aspect can more readily be found for installation.

Newman Controls, which is at Unit 5, Central Trading Estate, 275 Bath Road, Bristol BS4 3EH, is interested in licensing overseas manufacture.

... and another

Arrangements have been concluded for United Merchants to market the Termasol solar heat collectors made by Consumer Power, a Backer Group company. These panels are stated to be the first products of their type to be accepted for the Design Council Index. They carry a five-year guarantee (excluding glass). Installations range from two panel systems for private houses up to 40 panels for hotels. Details from the company at 1 Market Street, Saffron Walden, Essex CB10 1JB (0799 22220).

TONY FRANCE

Gas fired immersion heater

A HIGH intensity, small bore, immersion tube system for heating tanks and vats, has been developed by Wellman Selas in collaboration with the Midlands Research Station of the British Gas Corporation.

Called the Vatpak, the system is primarily intended to replace steam heating of non-corrosive aqueous solutions by providing small, high efficiency, gas-fired burners, firing into existing small-bore tubes.

Efficiency is claimed to be 80 per cent. or more when correctly applied; compared with 50 to 60 per cent. for steam heating, and 70 per cent. for the comparatively bulky gas-fired natural draught systems. This level of efficiency produces much lower running costs, says the company.

Three sizes of burner are available for 1, 1½ and 2 inch bore tubes (conforming to BS 1387), with ratings of 80,000, 160,000 and 300,000 btu/hr. Larger sizes are being developed.

The new burner has an integral head in which is mounted a perforated gas nozzle for thorough mixing of gas and air at the point of ignition. Combustion takes place in a refractory lined tunnel, combustion products passing through a convergent nozzle before entering the immersion tube. Fine adjustment is by the variable gas tube inlet connection.

Provision is made for spark ignition and flame detection, and the burner is supplied with a complete gas control train, to British Standards.

Gas and air trains are supplied as separate units for connection by the customer. Combustion air fans are available for single or multiple burner units.

For an efficient system, the maker says tube length to diameter ratio must be 140:1 or more. Tube material is dictated only by process requirements. Bends should be limited to one of 180 degrees whenever possible, if more than one bend is required the largest possible bore should be used.

Details from Wellman Selas, City Road East, Manchester M15 4PJ (061-236 2648), a subsidiary of the Wellman Engineering Corporation.

● INSTRUMENTS

Versatile recorders

THERMAL writing recorders designed for incorporation by manufacturers into industrial and medical equipment are announced by Gould Advance.

They combine the simple and reliable thermal writing technique with a precision servo-controlled pen motor which allows high pressure to be applied to the pen tip; the result is better heat transfer and trace contrast, particularly at high speeds.

This Gould Allco DV series can be supplied for up to eight channel operation with a choice of 22 chart speeds from 5mm/min to 100mm/sec. Input requirements are a 100mV/cm signal and a ±15V power supply.

Frequency response at 40mm chart amplitude is 50Hz, rising to 100Hz at 10mm amplitude. Event and time markers can be provided on all models. The records have a height of 156mm and a depth of 265mm, the width depending on the number of channels. Maximum weight is 12.5kg. More from Raynham Road, Bishop's Stortford, Herts (0279 55155).

● ELECTRONICS

Erie thick film push

ONE outcome of the take-over some 15 months ago of Erie Electronics by ITT Components Group has been a £150,000 investment in new production equipment for thick film network production.

Concentration is on volume production, in particular of resistor networks: it is now possible for example to handle one large substrate containing 25 circuits through the screen printing, firing and adjustment processes, followed by division into the 25 separate circuits.

Such resistor networks are proving increasingly popular with electronic equipment manufacturers. Each can contain up to 28 resistors so that in one insertion the manufacturer can save both board space and money.

The 1977 annual value of the thick film market is put by ITT at £5m. in the U.K. alone and is expected to double over the next five years. The world market is about 10 times this figure, the European market four times.

Intention of the ITT investment is to capture 30 per cent. of the U.K. market and—through the greatly increased sales opportunities offered through the ITT network of companies—to win 10 per cent. of the European and 5 per cent. of the world market in thick films.

● MATERIALS

Lightweight protection

WRAPPING material and bags made from plastics foam (low-density expanded polyethylene) are now being offered by Jiffy Packaging, part of the Baldwin Packaging Group.

Brand-named Superlite, both the wrapping material and the bags offer maximum protection for minimum weight and can be used for a wide variety of articles.

Bag sizes range from 102mm by 154mm to 356mm by 508mm while the rolls of foam come in widths of 500, 1,000 and 1,500mm in four different thicknesses.

The bags, which can be heat-sealed, have Kraft paper outer walls. Closure may also be by stapling or taping.

Jiffy Packaging's factory is on the industrial estate at Winsford, Cheshire (Winsford 3221).

● COMMUNICATIONS

Data in packets

EUROPE'S first packet-switched system for public service—the Post Office's Experimental Packet Switched Service (EPSS) is now in full operation.

This follows the progressive EUROPE'S first packet-switched facilities to users since late 1975. Completion of the last phase is made possible by delivery of the remaining hardware and final development of the necessary switching software.

Based on packet-switching exchanges in London, Manchester and Glasgow, EPSS enables data to be sent between participants in the form of fully addressed blocks or packets. The three packet-switching exchanges—which use Ferranti Argus 700E computers for switching the packets—are fully interconnected by 48k Hz circuits operating at 48 kbit/s.

Customers using EPSS can choose between packet or character-mode operation. Those selecting packet operation—appropriate for "intelligent" terminals—transmit and receive data in packets, each comprising a header with the address code, data and an error-checking code. Customers opting for character working—suitable for "simple" terminals—transmit data serially, using a 10- or 11-unit character structure. Such data is assembled into packets at the packet-switching exchange before being sent on through the network.

So far, the three exchanges operate for eight hours every weekday, presently serving more than 30 computers. Ultimately, the network is expected to support 43 packet-terminal connections, and up to 100 asynchronous character terminals.

EPSS is planned to operate for a minimum experimental period of two years.

● STORAGE

Airdome to store flammables

FOR THE first time, it is believed, an inflatable airdome has been given clearance by fire authorities for low flash point red-label storage.

At 3M U.K.'s Gorseinon factory additional storage space was required. Since the factory makes Scotch magnetic and adhesive tapes, adhesives and sealants, there is a high solvent content in almost all processes. This in turn demands stringent fire precautions because of the low flash point material.

Normal fire regulations for red-label storage demand 9-inch brick walls, expensive sprinkler systems, ventilation and flameproof electrics. The airdome has none of these, but after negotiation was accepted by fire officers and insurance companies.

The airdome cost £24,000 to supply and erect, showing a saving of £33,000 compared with a conventional basic building. It measures 120 x 60 feet, and gives storage for 250 pallets. "Puff up" took 20 minutes, and at 1.5 inch water gauge, the building is said to be stable under wind gusts up to 100 mph.

It is connected to an existing warehouse by an airlock. The translucent skin of the airdome allows sufficient daylight for normal work, but if necessary external floodlights (which do not need to be fireproofed) can be used.

If a fire does break out, it can be fought from the outside with portable equipment containing light water foam, a 3M product for fighting low-flash point liquid fires. If the fire spreads, the dome can be left to burn, with fire fighters merely containing the blaze.

The Barracuda airdome was supplied and erected by Cherwell Valley Silos, of Banbury (0295 811644).

● COMPUTING

Intelligent cash register

TWO electronic cash registers with stand-alone capability are being marketed in Britain by the U.K. subsidiary of Data Terminal Systems — Transaction Data Systems—which claims to be No. 2 worldwide in this particular area of the retailing aids market.

Series 500 is the more powerful of the two and the maker claims for it a large proportion of the capabilities of a computer-based unit at half the cost. What that means in practice is that the equipment has been given a great deal of intelligence by the use of the latest logic circuitry. This allows it to produce on demand a series of management reports based on the transactions which have been taking place during the day.

It has a large display with a 20-character capacity giving the customer a clear view of each item as it is keyed in. When required, the unit can be used with a communications device to provide point of sale data over the telephone network to a central machine, either belonging to the company or at a service centre. Optional is a standard OCR-A reading wand that can speed up information capture by taking the data from goods labels.

The System 440, which works in conjunction with a load cell weigh scale, is micro-processor based like the preceding machine and has an optional memory able to keep an inventory of up to 4,000 items.

Close management control can be applied by various methods to the registers and hourly productivity reports can be obtained for a number of purposes including analysis of sales by time of day.

Transaction Data Systems reports £½m. worth of invoiced sales, to date, to which should be added a further £1½m. worth still in the pipeline. Habitat has just placed an order for 104 of the Series 500 machines.

More from Transaction at Dawlish, EX7 0NH. Dawlish (0626) 865083.

● *By agreement between the Financial Times and the BBC, information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.*

Portable detector

BALTEAU Sonatest is adding to its range of ultrasonic flaw detectors with the launch of the UFD3, aimed at that part of the market which requires portability with more effective presentation.

Designed for general purpose work on the shop floor and site, the UFD3 is a compact, battery-powered ultrasonic detector and it has a number of aids that make the work of the inspector/operator as convenient as possible.

UFD3 has a particularly large and bright display which is 100 mm x 75 mm in size with graticule illumination. There are directly calibrated range controls and directly calibrated delay controls, the latter with a delay "marker" for ease of setting up.

Balteau Sonatest at Old Wolverton Road, Milton Keynes, N. Bucks. Milton Keynes 316345.

APPOINTMENTS

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The Assistant General Manager (Operations) has responsibility for Systems, Computers, Methods, Business Development, Marketing and Publicity. He acts as Secretary to the General Purposes Sub-Committee, to whom he is accountable for the above responsibilities. He is required to produce agenda, notes and minutes on these subjects and on certain other matters. He is expected to serve on various national TSB committees and working parties.

The salary will bear a maximum of £10,250 p.a., plus the customary additional benefits, at current salary levels. The commencing salary will be negotiated, and will depend on age and experience.

Applications, containing particulars of age, experience and qualifications should be addressed to the General Manager, The West of Scotland Trustee Savings Bank, 177 Ingram Street, Glasgow G1 1DL, marked "Confidential", *to be received not later than Friday, 13th May, 1977.*

COMPANY NOTICES

GENERAL MINING & FINANCE CORPORATION LTD.
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R. R. BISHOP
London Secretary

London Office: Princes House, 95 Gresham Street, London EC2V 7EN.

25th April 1977

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United Kingdom Shareholders are advised that copies of the 1976 Annual Report are now available from:
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Goldsmith Street,
London EC2P 2DL.
27th April, 1977.

SELECTED RISK INVESTMENTS S.A.

Notice of Annual General Meeting of Shareholders ...

ANGLO AMERICAN INDUSTRIAL CORPORATION LIMITED
(Incorporated in the Republic of South Africa)

ORDINARY DIVIDEND NO. 28

For and on behalf of ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
London Secretaries

LEGAL NOTICES

No. 001201 of 1977

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of ... HOLDINGS LIMITED and in the Matter of the Companies Act, 1948.

LEGAL NOTICES

NOTICE TO CREDITORS ...

MOTOR CARS

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The interest to be sold is leasehold (90 years unexpired) subject to ground rent biennially. Indexed and annual service charge covering porterage and other services.

PRICE INDICATED £650,000

Only replies from principals will be dealt with. Write Box T.4619, Financial Times, 10 Cannon Street, EC4P 4BY.

PUBLIC NOTICES

HALTON BOROUGH COUNCIL
£725,000—Halton Borough Council Bills issued 27th April, 1977—due 27th July, 1977 at 7⁵⁄₁₆%. Applications totalled £3,625,000—£725,000 Bills are outstanding.

APPOINTMENTS

COMMODITY Appointments Ltd., traders trainees, administrators and accountants. Tel. Graham Stewart. 01-439 1701.

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PERSONAL

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APPOINTMENTS WANTED

Economic Writer/Editor/Analyst

Seasoned, Geneva-based economic editor, U.S. national with Swiss "B" permit, substantial contacts and background in Europe and the Middle East, seeks corporate or media position. Fifteen years' economic writing experience. Mother tongue English, speaks Arabic and French. Willing relocate.

Please answer to Box D18-118042—Publicitas, CH 1211, Geneva 3.

PARLIAMENT and POLITICS

Government backs seat belts law bid

THE GOVERNMENT yesterday backed a new bid to make the wearing of seat belts compulsory for car drivers and passengers.

But in offering support to a Bill proposed by Lord Avebury (L.) Government environment spokesman, Baroness Stedman, made clear in the Lords that there could be no guarantee that the measure would become law.

"Without assurances of goodwill and co-operation, I am not in a position to guarantee the Bill its passage in the limited time available in the rest of this session."

Lady Stedman described the Bill, which would cost little to implement, as "an outstandingly good buy among life-saving precautions." It would save about £64m. annually in hospital costs by reducing casualties, she said.

An opponent of the measure, Lord Balfour of Inchrye (C) said that although lives would be saved by seat belts, they could also cause death and injury.

Lady Stedman refuted this suggestion. Research, she insisted, had shown that in no case was a person wearing a seat belt injured more severely than could have been expected if he had not worn it.

Lord Mowbray, Segrave and Stourton, Opposition spokesman, said Britain's attitude to road casualties could appear to be one of the major moral gaps of the era.

It was only reasonable to take steps to protect drivers themselves, passengers and other road users from the consequences of drivers' "indolence and inertia."

He suggested enforcement could be made easier by fitting mechanical devices to cars to prevent the driver moving the car without wearing his belt.

Lord Avebury reminded peers that thousands of people would be killed or injured unless motorists and passengers were compelled to wear belts. He stressed the sharp drop in road casualties in countries where belts were compulsory.

Lord Avebury said: "We are not just talking about statistics." The House was discussing "the great mass of human tragedy which is certain to happen unless this Bill is passed."

Lord Balfour urged peers to throw out the Bill and reaffirm their 1974 decision against the compulsory wearing of seat belts. "I am all for seat belts: I use one myself on the open road."

But he added: "Let us get away from doubtful statistics which have not been proved. Let us admit that lives are saved by seat belts, but also that death and injury can be caused by belt wearing.

"The House is being asked to pass a Bill which will cause death and injuries to some by Government order. It is a grave moral issue," he argued.

Lord Platt (Ind.) said he did not think Britain was ready for this law, and certainly not in its present form.

Lord Parry argued that the facts in favour of seat belts were "unassailable." Three years ago, a survey of AA members showed over 60 per cent. in favour. Now the percentage was slightly higher.

Lord Erroll of Hale (C) said that if the Bill was not passed, those who voted against it would carry the responsibility for a form of death that might be quite unnecessary.

Earl Howe said he was opposed to compulsion, supported freedom of choice and hoped the standard of seat belts improved. "The answer must be freedom of choice. Compulsion is a gross intrusion on the freedom of the individual."

Foot plans newspaper talks with Callaghan

By John Hunt, Parliamentary Correspondent

MR. MICHAEL FOOT, leader of the House, yesterday promised to discuss the Evening News and Standard merger, with Mr. James Callaghan, the Prime Minister, who was due to return from a trip to Germany last night.

He was replying in the Commons to Mr. Robin Corbett (Lab., Hemel Hempstead), a leading member of the National Union of Journalists, who complained it was "disgraceful" that the owners, Beaverbrook Newspapers and Associated Newspapers, had not taken the unions into their confidence over the negotiations.

According to Mr. Corbett, the jobs of 6,000 workers on the two papers were being "bought and sold" by the proprietors as if they were pieces of machinery. He thought it disgraceful that people who were always writing leaders lecturing others on the need for good industrial relations should operate in this way.

Mr. Foot reminded him that yesterday afternoon, Mr. Roy Hattersley, Prices Secretary, was meeting a delegation of union representatives led by Mr. Max Madden (Lab., Sowerby).

The Leader of the House said that he had a great deal of sympathy with the representations which had been made on the subject. Mr. Hattersley would be explaining to the delegates the legal position of his department.

"These representations are important. When the Prime Minister returns, I will seek to discuss the matter with him," Mr. Foot added.

Tory MP will urge Ministers to resist EEC insurance plan

BY RICHARD EVANS, LOBBY EDITOR

WIDE RANGING proposals for the control of life assurance business throughout the Common Market come before the Commons to-night in EEC Commission documents which seek harmonisation of the supervision of insurers by member States.

The directives cover applications by insurers intending to undertake life business in the Comon Market as well as a calculation of solvency margins and guarantee funds, and the separate management of life funds.

Major difficulties arise from the variety of management methods now in use in EEC countries. In some, companies dealing in life assurance are banned from handling indemnity insurance. Under the Commission directives, this would become common throughout the Community.

Mr. Robert McCrindle, Conservative MP for Brentwood and Ongar intends to urge the Government to resist the proposal to force insurance companies to separate their life assurance operations from indemnity business. Last night, he called the plan "unnecessarily bureaucratic and cumbersome."

In his view, there was already satisfactory progress being made to bring down the barriers affecting the insurance industry in Europe, and the proposed legislation would mean great difficulties for major U.K. companies.

MPs support Bill on live animal exports

MPS ON ALL sides yesterday welcomed a private member's Bill to tighten up controls on the "vile trade" of exporting live animals for slaughter.

Original caricatures of MPs who have featured on the front page of Parliament's own journal, "The House Magazine," were presented by the Speaker, Mr. George Thomas, to colleagues at Westminster yesterday. Pictured, left to right, are Labour MP Mr. Jack Ashley, Mr. Thomas, Sir Keith Joseph, shadow Industry Secretary, and Mr. David Steel, the Liberal leader.

Jobless figures still serious, says Foot

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE GOVERNMENT regards the latest unemployment figures released yesterday as extremely serious, Mr. Michael Foot, Leader of the House, told the Commons yesterday.

He was replying to Mr. Robert McCrindle (C., Brentwood and Ongar), who drew his attention to the statistics which show that on April 14 unemployment stood at 1,335,635, or 5.8 per cent. of all employees, and included 50,353 school leavers without jobs.

Mr. McCrindle suggested that the Government should bring forward further proposals to relieve the high level of unemployment among school leavers.

Mr. Foot told him: "The level of unemployment revealed by these figures is extremely serious and one of the most objectionable features is the number of school leavers."

If the general figure was taken, apart from the school leavers, it did show a fall in the seasonally adjusted figure. This did not, however, alter the fact that the total figure was still extremely serious.

The question of the negotiations over Phase Three of the incomes policy was raised by Mr. John Cartwright (Lab., Woolwich). He asked that the Government should take action on the points which Lord Allen, general secretary of the Union of Shop, Distributive and Allied Workers, had raised as essential to a Phase Three incomes policy. These included extra funds for the National Enterprise Board, real tax cuts for the lower paid, and reform of the Common Agricultural Policy.

Mr. Foot assured him that the Government was studying all these questions but that the point raised had varying degrees of significance.

Mr. Roy Hughes (Lab., Newport) maintained that the ever-increasing cost of food was attributable to the Common Agricultural Policy and was hitting the poorer sections of the community. He thought that this confirmed that Britain's entry into the Common Market had been a tragic mistake.

The Leader of the House replied that this matter had already been brought to the Government's attention by leaders of the TUC. He added that Mr. John Silkin, Minister of Agriculture, would be making a statement to the Commons to-day on the latest agreement on EEC agricultural prices.

During further exchanges, Mr. Foot was taken to task by Conservatives who complained that the Government had only given development status to Grimsby because of the crucial by-election to be held there to-morrow.

Mr. James Prior, shadow Employment Secretary, said it was still impossible to find out exactly which part of Grimsby would be included in the new development area. "Does not that suggest that it was all done in a bit of a hurry for a very specific purpose?" he asked.

Mr. Foot replied that pressure for development status for the area had come from Conservatives as well as Labour. "I do not see why you should be so suspicious," he added.

Left has 'hounded me out' says Labour MP

BY RUPERT CORNWELL, LOBBY STAFF

MR. ERNEST PERRY, the 69-year-old Labour MP for Battersea South, is to stand down at the next general election after claiming yesterday that he had been "hounded out" by Left-wingers in the constituency party.

His decision emerged after a torrid meeting of the general management committee in Battersea South on Monday night which was punctuated by sharp exchanges between the MP, a self-proclaimed moderate, and his critics.

Mr. Perry has held the seat for Labour since 1964. His successor will inherit a majority of 2,851, meaning that the Conservatives need a swing of just under 5 per cent. to capture it.

It had been intended that Mr. Perry's decision should remain secret until after next month's GLC elections. But the MP said yesterday that he had been threatened with a "Reg Prentice" situation and subjected to the same pressure as the former Overseas Development Minister in his Newham North-East constituency.

Higher mobility allowance for disabled

By John Hunt

THE MOBILITY allowance for severely disabled is to be increased from the present level of £5 to £7 a week in November, Mr. David Ennals, Social Services Secretary, announced in the Commons yesterday.

The mobility allowance is being phased in to replace the provision of invalid tricycles. The present Government introduced the allowance on the grounds that it was more equitable and broadly based than a system of tricycles.

Mr. Ennals said the mobility allowance now benefits 43,000 people aged between five and 52. Everyone up to pension age would be covered by the end of 1979.

Mr. Ennals had said previously that the tricycles would be phased out over five years. But yesterday he told the Commons that it now looked as though they could be kept going a little longer, probably until 1983.

Mr. Patrick Jenkin, shadow Social Services Secretary, said that ever since the Government had announced its intention to phase out the tricycles there had been a mounting volume of protest.

Mulley sees hope for offset deal

By Ivor Owen, Parliamentary Staff

THERE WAS an optimist[ic] assessment by Mr. Fred Mulle[y] Defence Secretary, in the Co[m]mons yesterday about the pr[os]pects of concluding an ear[ly] agreement with West Germa[ny] on a new arrangement to offs[et] the foreign exchange costs [of] BAOR.

While pointing out th[at] detailed negotiations were a m[at]ter for the Foreign Office, [he] told MPs that he very mu[ch] hoped "we shall shortly s[uc]ceed."

Labour backbenchers we[re] again strongly critical of t[he] burden on Britain's balance [of] payments. "It is a transfer fro[m] poor Britain to rich Germany" protested Mr. Gwilym Rober[ts] (Cannock).

In similar vein, Mr. Sta[n] Newens (Lab, Harlow) com[plained] that for many years t[he] British economy had bee[n] forced to accept the burde[n] which had helped the Germa[ns] to go ahead industrially.

Mr. Mulley saw this as put[t]ing the matter in rather colou[r]ful terms and he underlined th[e] fact that the Prime Ministe[r] while visiting British militar[y] installations in Germany, was o[c]cengaged in negotiating detail[s] of a new offset agreement. [He] pointed out that under succe[s]sive Governments, the matt[er] had been negotiated by t[he] Foreign Office.

Mr. Mulley added: "I am hopeful that a successful offs[et] agreement will be agreed because in present circumstances at an[y] rate, there is this imbalance between our foreign exchang[e] situation and that of Weste[rn] Germany."

At the same time, he r[e]affirmed the Government's co[m]mitment to stationing Briti[sh] forces in Germany as part [of] collective NATO defence.

Written reply

Sir John Hall (Con. Wycombe). What action i[s] being taken to reduce th[e] imports of waste paper?

Mr. Bob Cryer, Und[er] Secretary. No action is bei[ng] taken to restrain imports, whic[h] net of exports, amount to abo[ut] 24 per cent. only of the pap[er] and board industry's curre[nt] usage of waste paper. The Was[te] Management Advisory Coun[cil] and the paper and board Sect[or] Working Party are consideri[ng] what more can be done to i[n]crease waste paper recycling [in] the U.K.

APPOINTMENTS

Regional Board pos[t] at Lloyds Bank

Mr. A. J. Glendon has been made a regional director of the North and East Midlands regional Board of LLOYDS BANK which sits at Nottingham under the chairmanship of Lord Netherthorpe. The appointment takes effect from May 1.

*

Dr. P. Wade has been appointed director of group research and development of UNITED BISCUITS (HOLDINGS). He joined the company in 1972 as manufacturing research manager.

*

Mr. J. Dawes has resigned as chairman and from the Board of BOND STREET FABRICS.

*

Dr. G. J. Shaw has been appointed managing director of BAKER PERKINS CHEMICAL MACHINERY. He was previously deputy managing director.

*

Mr. E. Cummins has been appointed deputy chief executive of CARRINGTON VIYELLA from May 1.

*

Mr. Alan Webster has been appointed managing director of BROOKES (OLDBURY), a member of the machine division of Tube Investments. He had been financial director of the company since 1972.

*

Mr. J. G. N. Drummond and Dr. E. Thain have been appointed directors of SIDLAW INDUSTRIES. Mr. Drummond has also been appointed chairman designate of the oil services and engineering division and will succeed Mr. R. W. Parker as chairman of that division later [this] year. Mr. Parker will remain [a] director of Sidlaw Industries, a[nd] Aberdeen Service Company (Nor[th] Sea). Mr. Drummond retir[ed] recently as an executive direc[tor] of Shell U.K. Dr. Thain join[ed] Sidlaw as finance manager in 1[9..] and now becomes finance direct[or].

*

Mr. Robert Aitken, managi[ng] director of R. Hunt and Co., [has] been elected president of [the] AGRICULTURAL ENGINEE[RS] ASSOCIATION. First vi[ce] president of the Association [is] Mr. Gerald C. Thackrah, mark[et]ing director of International H[ar]vester Company of Great Brit[ain] and second vice-president, [Mr.] Roland M. Jennings, manag[ing] director U.K. operations, Mass[ey] Ferguson (United Kingdom).

*

Mr. Robert Farrall retires April 30 as director-general [of] the Generation Development [and] Construction Division, CENTR[AL] ELECTRICITY GENERATI[NG] BOARD. His deputy, Dr. C. Haigh, will assume respon[si]bilities for managing the divis[ion] from May 1 until perman[ent] arrangements are made.

*

Mr. John B. Richards has be[en] appointed personnel director [of] THORN ELECTRICAL INDU[S]TRIES and joins the execut[ive] Board.

*

Mr. J. Briggs has been elec[ted] a director of GRA PROPER[TY] TRUST. Mr. W. B. Shepherd, [a] retiring director, has not b[een] re-elected.

FINANCIAL TIMES SURVEY

Wednesday April 27, 1977

Asian Shipping

Although the fleets of the industrialised nations still dominate the shipping routes of Asia, the build up of their own fleets by the developing countries of the region has introduced new patterns of operation.

New fleets in the making

By John Wyles

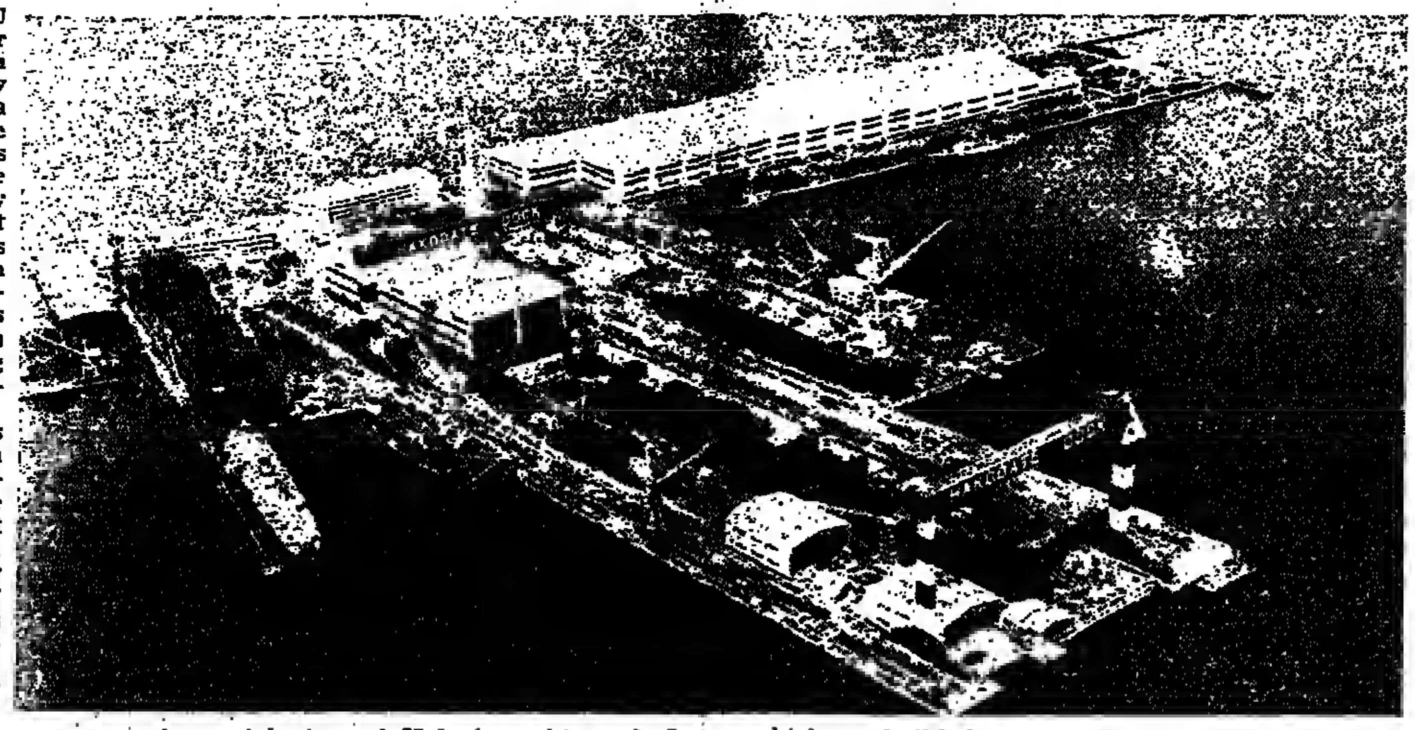
IT IS crude to talk of a contineot being "on the move," especially when it is an aggregation of countries which differ greatly in their cultures and economic and political arrangements. But as far as shipping and shipbuilding is concerned in Asia, an increasing ooiformity of policy can now be discerned which is characterised by a determination to build more ships for the developed world and to be less of a consumer of that world's shipping services.

Thus from India to the Republic of China, large-scale investment is heing devoted to the creation of natiooal shipping fleets which are iotended to carry a larger proportion of national trades and thus, it is hoped, tn reduce the cost of overseas transport to the national exchequer. The political expression of this attempt to be more independent of the developed world's shipping is, of course, the NU Code of Conduct for Liner Conferences. Passed in Geneva in 1974, the Code is unlikely ever to come into force in ita present form (it needs to be ratified by countries whose flags account for 25 per cent. of the world's merchant fleet; the tally so far is 3.75 per cent.) but it has assumed an enormous symbolic importance both as an influence on Third World shipping and shipbuilding policies and on the attitudes of Western Enrope and Japan towards flag discrimination and cargo reservaOon policies.

Much of the political impetus hehind the Code came from Asian countries, India in particular, although not all are uniformally anxious to prevent any amendation to ita terms. These provide, among other things, for the eliminatioo of closed shipping conferences and for the reservation of 80 per cent. of the trade between any two countries to ships of those countries, leaving "a significant part such as 20 per cent." tn third parties or cross traders.

Powerful

The Code's implications have become a powerful spur for many Asian countries to develope their shipping capabilities since few have fleets of the right size and mixture to carry 40 per cent. of their foreign trades. India, currently with the world's 17th largest fleet, has a shipbuilding programme which will add nearly 1m. gross tons to its existing total of 5m. grt., while the Philippines is setting about replacing a comparatively aged fleet with new ships particularly aimed at carrying a greater share of its trades in oil and agricultural commodities. Malaysia has an even more extensive development programme, which could make the Malaysian International Shipping Corporation a major force in the Far East, since its ambitions extend into forest products, palm oil and liquefied natural gas.



An aerial view of Hakodate shipyard, Japan, which can build ships up to 300,000 tons.

It is hardly surprising that, given the nalional strategic importance of merchant shipping, China is no exception to the wave of shipping expansion sweeping through Asia. The Chinese fleet is believed to have increased dramatically over the past two years, partly through the Government taking advantage of the large numbers of cheap ships which are now available cither second hand or from shipyards. It has been estimated that the Chinese flag carries 33 per cent. of the country's foreign trade and that the total fleet comprises around 400 ships, with a deadweight tonnage of around 4.5m. Cargo reservation has long heen a familiar element of trading betweeo socialist couotries, and China has shipping agreements often involving the creation of joint shipping companies, with several countries, including Alhanla, Poland and Tanzaoia.

China is also known to operate through a number of controlled companies owoing tonnage based in Hong Kong whose large independent owners must be exempted from any support for the specific provisions of the UNCTAD Code. These Hong Kong-based owners account for more than a quarter of the world's flag of convenience shipping, and their interests are world-wide and synonymous with free trade rather than cargo reservation. They have contributed substantially to the developmeot of shipping in Asia, which is, ironically, now starting to exert an important competitive pressure on some of the Hong Kong owners' best customers—Japanese shipping compaoies.

Japan's position in Asian shipping and shipbuilding is a curious reminder of the fragility of economic strength. Still the most economically powerful and developed country in that parl of the world, Japao is, however, haviog to wrestle with a number of competitors io the area who enjoy similar advantages to those exploited by Japan in its highly successful bid lo compete with European and American rivals. The effectiveness of Philipino and Malaysian shipping, for example, is hringing complaints from Japanese shipowners, whose anxieties about the erosion of their competitive position are now being taken very seriously in Tokyo. Modern vessels coupled with comparatively cheap labour costs gave Japanese shipping a sharp competitive edge during most of the 1960s, but owners claim that their labour costs are among the highest in the world at the same time as other Asian countries are learning to be as efficient and modern in their shipping operations.

Slump

When asked to cite the competition which worries them most during these years of almost unprecedented slump in world shipbuilding, Japan's Ministry of Transport and Shipbuilders Assoication nominate South Korea and Taiwan while discounting most of Western Enrope. The reasons are ultramodern equipment and cheaper labour costs, which, allied to Government hacking through direct subsidies and soft credit for shipowners, are huilding hoth these cruntries up into major shipbuilding forces.

Moreover, hoth are committed to expansion plans which are quite unjustifiable according to any dispassionate view of existing world capacity and foreseeable demand for new ships. After little more than three years of hulding for export, South Korea last year produced a similar total output to the U.K. (whose total annual deliveries have changed little in the past 25 years). Having initially pinned its future growth on the construction of supertankers, Hyundai Shipbuilders has shown itself capable of adapting very quickly to the almost total disappearance of demand for these ships. By undercutting Japanese prices, Hyundai has managed to scoop in orders for a significant number of general cargo shipa which are being produced in blocks of two or three in a giant dry dock conceived for the assembly line construction of tankers up to 1m. d.w.t.

Japan has several docks of equivaleot size but its shipyards are forhiddeo hy their Governmeot from this kind of multi-ship production. This ruling was made partly out of the need to make some concession to Western European demands thal Japan reduce its market share of world shiphuilding. This is a pressure which, as developing nations, South Korea and Taiwan have largely heen spared.

Taiwan also has a national shipping development plan which will help carry its shipbuilding industry through the next four or five difficult years. The country's largest shipbuilder, Chioa Shipbuilding Company, will be strengthened in its rivalry with Japanese yards by the completion nearby in Taipel of a major steelwork project. The first phase, with a production capacity of 1½m. tons should be completed this year, and its deliveries will, in time, relieve China Shipbuilding of its dependeoce on steel imported from Japan.

Several areas of conflict

HAGGLING WITH shippers over freight charges, against a background of continued undercutting by the State-run Russian shipping and railway lines, is the most pressing problem for container operators to and from the Far East.

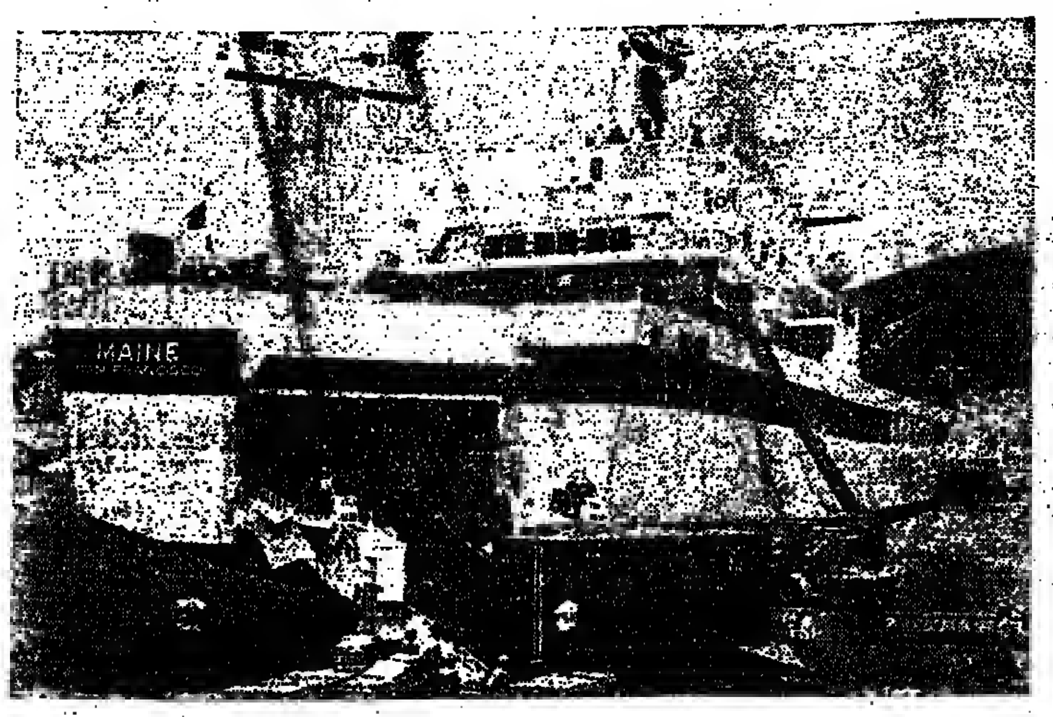
The Far Eastern Freight Conference wants to increase its charges by 13.75 per cent. from July but is meeting firm resistance from Asian shippers' councils, especially those in South East Asia, who are threatening to put pressure on their Governments to withdraw their national lines from the conference.

The obvious outcome of any such drastic action would be the setting up of a rival conference which, one assumes, would aim to offer lower rates than those envisaged by the existing conference.

One of the most sensitive areas at the moment is the Malayan rubber trade which is seeking a special arrangement with the conference lines and making noises about switching the trade to the Trans Siberian Railway and/or Russian shipping lines if they are not accommodated.

Another area of conflict is the so-called Suez surcharge of 2 per cent. levied on traffic through the reopened Suez canal. Originally imposed to cover the additional cost of shipping via the Cape while the canal was closed, the surcharge, which has been as high as 7 per cent., is now designed to cover the higher cost of using the canal compared to 1967.

Asian shippers see no reason why there should be any Suez surcharge now that the canal is fully operational and are certain to bring this issue into subsequent negotiations on charges.



Loading goods for export at Pusan, South Korea.

The Far Eastern Freight Conference (FEFC), which consists of 28 lines from 18 countries, estimates that costs will have risen almost 14 per cent. in the 15 months between the last rate increase and July 1.

These figures are prepared by independent chartered accountants appointed by the conference, on the basis of voyage returns submitted to them by the member lines. The voyage returns distinguish each element of costs—stevedoring, bunkers, port charges, ships' depreciation—and show the effects of inflation, both experienced and anticipated.

Shippers' councils often claim that they should be given access to these returns (which are not even revealed to the conference) in order to decide for themselves whether proposed rate increases are justified. But the lines insist that the data remains confidential, not only to shippers but—perhaps even more—between lines themselves.

Even though the rival Trans-Siberian Railway has recently pushed its rates up by some 12½ per cent., it is still able to undercut conference rates and cream off a growing slice of the container traffic. Last year the Trans-Siberian Railway carried some 80,000 containers and is still increasing its container-handling capacity.

Leading

Overseas Containers Limited (OCL), the U.K.'s leading container consortium estimates that it alone lost about 1.25m. tons of trade to the Trans-Siberian Railway last year and had to reduce some of its rates as a result.

OCL chairman, Mr. Ronnie Swayne, maintains that the Russians keep the Trans-Siberian rates artificially low and that they have military as well as commercial aims. He has played a leading role in trying to influence Western and Japanese Governments to support shipowners in containing Russian maritime expansion to "reasonable limits," although to date there has been little indication that the Governments are prepared to impose the concerted sanctions advocated by the shipowners.

This is partly because there is a considerable body of opinion which believes that the Russians are merely trying to force their way into the various shipping conferences rather than seeking to undermine the Western merchant marine. Although they have been allowed in to some shipping conferences, the Russians' efforts to join the Far Eastern conference have proved unsuccessful.

Now they are seeking to expand the TSR traffic by making the system triple and quadruple-tracked throughout most of its length from Leningrad on the Baltic Coast to Nakhodka and Vladivostock on the Sea of Japan to meet up with shipping links with Japan, Hong Kong or South East Asia.

Trade to and from Japan constitutes a major part of the Far East container traffic with Europe and the U.S. The Japan-Europe services are dominated by three consortia: the so-called trio Group, representing the container ship interests of the leading British, Japanese and West German lines; the ACE group of Belgian, French, Singapore, Hong Kong, Korean interests with the Japanese "K" Line; and the Scan-Dutch consortia.

This trade is about 95 per cent. containerised with roughly a third of the containers carried in Japanese flag ships. One of the main priorities here is to increase the level of goods flowing into Japan, as boxes going in that direction are often only about 70 per cent. full at present.

The Japanese have an even stronger hold—about 50 per cent.—on container traffic between Japan and the U.S. But despite these high shares in these key container routes there is growing anxiety within Japan at the rising level of foreign vessels being chartered in by Japanese shipowners.

Foreign flagged vessels now account for more than half of Japan's ocean-going tonnage and this issue is expected to be a high priority in forthcoming internal discussions on a long-term policy for Japanese shipping.

Another item worrying Japanese shipping interests is discrimination against their vessels by the developing countries and those of the Eastern bloc. The Japanese Cabinet is supporting a Bill designed to empower the Ministry of Transport to restrict or ban calls to Japanese ports by ships from countries discriminating against Japanese shipping interests.

Roy Rogers
Shipping Correspondent

JAPAN: SHIPBUILDING

A test of credibility

MANY MAN hours and much midnight oil has been consumed in Western Europe over the past 12 months as Government officials and shipbuilders have attempted to "read" Japan's shipbuilding policy. The assumption behind all this activity, of course, is that Japan's statements on the matter cannot be taken at face value and that the difference between stated intentions and actual performance is sufficient to cast doubt on the credibility of public utterances. After several long and increasingly irritable exchanges in the OECD's working party number 6 on shipbuilding during the past year, it is now fairly clear that Europe and Japan understand each other's positions. To an important extent, therefore, Europe has learned to "read" Japanese policy, but its understanding has not stretched far enough to devise a means of moving Japan away from an approach which is basically inimical to European interests.

This is hardly surprising because of the utter strength of Japan's position. By dint of shrewd investment in new technology, clever marketing, predictable labour relations and absolute reliability of delivery, Japan built up a dominant position in world shipbuilding during the 1960s.

Output has consistently hovered around the 50 per cent. of world production mark. The enormous tonnages involved, 16.9m. gross tons in 1975 and 15.8m. gross tons in 1976, were very largely based on the mass production of giant oil tankers and bulk carriers. These two categories of ships accounted for 87 per cent. of Japanese output last year, and while there are still a few bulk carrier orders around, the almost total absence of demand for new tankers has forced Japanese shipbuilders into markets more traditionally dominated by Western European yards. The Europeans are not enjoying the competition and have been forced to adopt a variety of defensive measures in a bid to protect the 400,000 jobs at stake in the major shipbuilding countries. Principally they have charged that Japanese prices are unfair, and shipbuilders have done calculations to prove, they say, that many prices being offered in Japan do not actually cover building costs. Such charges of unfair competition have been vehemently denied by spokesmen for Japanese Government and shipbuilders, who have built their defence on claims of superior efficiency.

The exchanges which have taken place within the OECD and between the Association of West European Shipbuilders and the Shipbuilders Association of Japan have been frustrating and inconclusive for both sides. Although far too polite to admit it publicly Japanese negotiators have become tired and bored with the constant complaints that prices up to 40 per cent. below European levels must be loss-making and are therefore unfair; while the Europeans are angry that the Japanese rebuttals cannot really be verified. Whereas in Europe all the major European yards would find it very difficult to mask the consequences of taking a series of loss-making contracts, the fact that Japan's leading exporters belong to huge conglomerates, many of which include steelmaking and electronics among their activities, means, it is claimed, that losses can be spread and commercial realities obscured. These commercial arguments have now become grist to the mill of the political manoeuvring which has been taking place over the past nine months within the OECD and which looks set to continue until the Europeans feel that an acceptable modus vivendi has been reached.

After months of pressure and moves within the European Commission to frame an EEC policy for defending shipbuilding, Japan responded in February with an undertaking to raise export prices by 5 per cent. and to withdraw from competition with European countries whose industries were in "severe difficulties." Spokesmen subsequently argue that the real price increase in ships for delivery in two years time amounted to 21 per cent. because the Ministry of Transport was also insisting on an 8 per cent. per annum inflation adjustment.

Change

It is still too early to judge the true effect of these moves, together with the upward drift of the Japanese yen against the dollar, but there have been one or two interesting straws in the wind. First some leading London sale and purchase brokers say they have detected a change of attitude in Japan in the last couple of months which really amounts to a reluctance to quote prices to shipowners from EEC countries. Secondly, the one country, West Germany, which appeared to suffer particularly badly from Japanese competition last year has suddenly started to do rather better. In one week towards the end of March, West German yards booked a total of nine new vessels worth more than DM220m. There was a feeling that at least some of these orders were a product of Japanese restraint and this has helped strengthen the determination of governments to maintain their pressure on Japan.

The ultimate political goal is to cajole Japan into abandoning its stated resolve to retain a 50 per cent. share of world output. The implications of this for western Europe are grim because total orders placed in the world over the next three years are expected to be no more than 13m. grt a year (Mr. Robert Huskisson, chairman of Lloyd's Register of Shipping, said recently that he thought that the 1977 total might be no more than 10m. grt). Up to 3m. grt and possibly more of these orders will be built by Comecon countries and developing nations are not, therefore, by general agreement, "freely available." If Japan is pledged to build 6.5m. grt out of the remaining 10m. then EEC countries would be producing less than half of their 1976 output.

Japanese representatives have repeatedly stressed that as far as Tokyo is concerned the 50 per cent. is not negotiable, and this is because it underpins a strategy based on sheltering as much of Japanese shipbuilding capacity as is possible from the world slump. Around 80 per cent. of Japanese production goes for export, and the 40 leading exporting companies have agreed with the Government to reduce their man hours worked to an average of 65 per cent. of 1974 levels. There are several ambiguities about the plan, however, which has not been satisfactorily cleared up by Japanese spokesmen. Although the reduction in man hours has been linked in Government statements with the 50 per cent. world market share, it is by no means clear whether an annual order intake of, say, 6.5m. grt. will be sufficient to sustain this level of man hours. The answer surely lies in the composition of the order book. There is a higher man hour content in technically sophisticated ships like container carriers, roll-on roll-off and gas carriers, and also a higher added value.

But no one can be sure what proportion of available orders will be made up of such vessels and what sort of mixture of the technically sophisticated and more straightforward ships Japanese shipbuilders are seeking. It may well be that Japan will need more than 50 per cent. to sustain its man hours plan. But it may be able to abide by this limit by taking the lion's share of sophisticated ships, which would be equally unsatisfactory for European yards if all they are left with is a range of general cargo vessels. Japan has demonstrated in several other trading areas that it is good at controlling its marketing, and it has an export licensing system in shipbuilding which offers the Government some opportunity for fine tuning. However, Lloyd's Register figures reveal that Japan took 56 per cent. of world orders last year, and the signs are that Tokyo is finding it difficult to walk the 50 per cent. line in 1977. Europeans say that equity demands that Japan should contract its shipbuilding the most because it went to far greater lengths to expand it than any other country—production, after all stood at only 1.7m. gross tons or 20 per cent. of world output in 1960.

Severity

Tokyo's answer is that, while it has no concrete plans for shutting down yards, the sheer severity of the world slump will force a contraction. It is claimed that the failure of the Mie shipyard near Nagoya in February with debts totalling Y20bn. will be the first of several. However, the Japanese claim that their room for manoeuvre is limited for reasons which Western Europe ought to try to understand: there are 250,000 workers employed in shipbuilding and around 180,000 of these are permanent employees whose security cannot be abandoned without far reaching implications for Japan's entire social and economic system. The brunt of the redundancies must therefore be suffered by the industry's 73,000 sub-contract workers, but even these cannot be indiscriminately cut back, it is said, because entire communities are dependent for their prosperity on the operation of the local shipyard.

Many of the permanent employees working for the large conglomerates will be transferred to other activities. This will not be accomplished without difficulties because of trading problems being suffered elsewhere, steel being a good example.

Objectively, the future is less grim for many Japanese yards than it is for most of those in Europe. If it is to be a matter of survival for only the fittest, then one's money has to be on Japan, for Western European shipbuilders are not really competing with a comparable industry but with the strength of a more effective integrated socio-economic system.

John Wyles

A prevailing mood of pessimism

JAPANESE ARE not given to making ill-considered public complaints about their problems. Complaining does, after all, involve a certain loss of face, an element of "mea culpa." During the last 12 months, however, Japanese shipowners appear to have abandoned much of their restraint and are prepared to expatiate at length to anyone who will listen on the mounting problems they face. While these problems are not unprecedented for a Japanese industry, they are unusual in that they stem from an observable decline in international competitiveness. Last year's repeated warnings about the industry's uncertain future were duly noted by the Government, and a few months ago the Ministry of Transport asked the shipping branch of the key policy-formulating Shipping and Shipbuilding Rationalisation Council to make a detailed study of the industry and its difficulties.

Changes

The Council had last reported in December, 1974 and the Ministry's reference drew attention to a number of subsequent structural changes in the shipping environment which have now become extremely important to the industry's prospects. These are: increases in Japanese crew costs; the increased costs of shipbuilding and chartering in of foreign registered ships; the world-wide tanker surplus; flag discrimination policies in the Third World; the prospects of the Japanese and world economies.

Operationally, the "Big Six" Japanese shipping companies, which were formed out of a root and branch re-organisation of the industry in the mid 1960s, regard crewing costs as one of the factors swiftly eroding their international position. The Japanese Shipowners Association is constantly producing new comparisons to substantiate its case that a threefold increase in Japanese seamen's wages between 1969 and 1975 is fast threatening their members' prosperity.

Tokyo Tankers recently made its own analysis of the problem and claimed that manning a tanker with 30 Japanese seamen cost Y286m. a year. This compared with Y197m. for a U.K.-manned tanker with a crew of 36, Y221m. for a ship manned by a Norwegian crew of 38 and Y88m. for a South Korean crew of 28. The survey claimed that under a labour agreement which entitles Japanese seamen to 159 days paid leave if they work aboard ship for a year, a shipowner was forced to employ 50 per cent. more seamen than the actual number of crew members required to man ships which are to be operated for a full year.

Clearly the Japanese shipowner is now extremely interested in looking abroad for his ratings and perhaps for a few officers. But this could bring him into conflict with the All-Industry Japan Seamen's Union, which is itself a highly unusual phenomenon in Japan since it is the country's only important truly national trade union. Japanese shipowners are inclined to blame this fact for their weakening international position and point to the company-based union system as one of the vital foundations for the continuing success of so many Japanese manufacturing industries. The Seamen's union has showed itself to be a skilful and adroit bargainer, although the owners say it is too effective for its members' good and has forced Japanese shipping companies to adopt various strategems to avoid hiring nationals.

A notable development has been the growth of the *maru* system, whereby a Japanese ship is chartered out minus its crew to South Korean or Philipino interests and then chartered back with a local crew whose pay will inevitably be below the prevailing Japanese rates. The Ministry of Transport has estimated that some 10 per cent. of Japanese shipping is now accounted for by *maru* ships. This trend may be partially responsible for the Seamens' union conceding the right to some companies to man their vessels with a mixture of nationalities, in some cases with Japanese officers and low-priced seamen from other countries. The companies which are reported to have wrested such a concession out of the union include Iiono Kaium, NYK and Showa Shipping.

Another practice which is much longer established and which also frees the shipowner from the manning requirements of the Japanese flag is the *shikumisen* or tie-in system whereby a ship is ordered in a Japanese shipyard on behalf of a foreign owner, who charters it back to the Japanese company on a long-term basis.

Popular

Over the last 12 years, the *shikumisen* has become an increasingly popular step for Japanese shipping companies, and it has substantially boosted the country's dependence on foreign registered shipping. Around 62m. grt is Japanese owned or controlled, but the foreign flag element has risen from 36.6 per cent. in 1973 to around 47 per cent. last year. Japanese flag vessels have been carrying only about 23 per cent. of exports and 45 per cent. of imports, but with the help of foreign registered shipping these proportions change to 53 per cent. and 74 per cent. This development has raised some questions in Japan, not least among the shipping companies, about the wisdom, both economic and strategic, of depending to such an extent on foreign vessels, and this is one of the issues that will be examined by the Council's policy study.

The Council will also be looking at the implications of the world tanker surplus, which has been a marked drain on the revenues of some major Japanese companies and will continue to be a threat for as long as it lasts.

Different companies have differing exposures. Sanko, for example, own around 5.9m. dwt of oil tankers and combined carriers, of which 70 per cent. is on period charters which are due to expire between 1978 and 1980. During the same period 75 per cent. of the 11.8m. dwt of tonnage chartered in and then relet will be coming out of employment. Japan Line, one of the world's leading major independent tanker operators, is in a rather better position since the bulk of its 10.3m. dwt chartered it not due to be returned to the company from relet charters until after 1980. Nevertheless, the company has forecast losses of Y3bn. for 1976, Y4bn. for 1977 and Y3.5bn. for 1978, and is expected to sell Y12bn. of securities by 1978 to help offset the deficits. The tanker surplus, coupled with the general slump in dry bulk shipping and the liner trades, took the leading Japanese companies to a collective Y72bn. deficit in 1975, and although 1976 will have shown a substantial improvement, Japanese shipping is worried about its underlying position.

Mr. Seishiro Niyamoto of the Japanese Shipowners Association cited the industry's major problem recently as the deterioration in the capital structure of the "Big Six," Nippon Yusen Kaisha, Mitsui OSK, K Line, Japan Line, Yamashita-Shinnihon and Showa. He argued that new building debts have largely been covered by borrowings, with the result that the net asset worth of the Big Six stood in 1974 at Y150bn. against a capital debt of Y1,400bn. Set against the background of a sharp fall in earnings and a decline in the Japanese flag's share of world trade, Mr. Niyamoto doubted whether the shipping industry would ever regain its former profitability.

In assessing their future, the shipowners also take a gloomy view of the effects of Soviet competition and of the move towards flag discrimination by developing countries. Pessimism is undoubtedly the prevailing mood in Japanese shipping circles, but it is unlikely to give way to defeatism. Japan has a long history of successful problem solving, and it will be surprising if a stronger, albeit leaner, industry does not emerge out of the present troubles.

J.W.

SOUTH KOREA

A force to be reckoned with

IT IS no coincidence that Hyundai Shipbuilding and Heavy Industries became South Korea's biggest exporter in 1976. The company's shipyard at Ulsan on the south-eastern coast cost $100m. to build but by 1975, Hyundai was selling $163m. worth of ships overseas, and in 1976 export sales rose to $376m. The yard itself, built in 1973 and only completed after the February, 1974 completion of Hyundai's first (of many) 260,000 d.w.t. very large crude carriers (VLCC's) is arguably one of the largest in the world, with the capacity to build vessels up to 1m. d.w.t. and an annual production capacity of nearly 2.75m. gross tons.

Of course, Hyundai is not insulated from the present world oversupply of ship capacity. Indeed, although its order books are said to be "full" until the end of 1978, much if not most of the work will be on non-ship construction, notably marine terminals, offshore and port structures. It is Hyundai's good fortune, in fact, that it benefits from much the same nepotism afforded the big Japanese shipbuilders by their diversified parent companies. The Hyundai group of companies includes Korea's largest overseas construction and plant exporter, Hyundai Construction, and an undisclosed but apparently large portion of the shipyard's order will actually fill Hyundai Construction major port construction contracts in the Middle East.

The world shipbuilding glut, indeed, has convinced Seoul to hold off on its other ambitious shipbuilding plans which had been drawn up with a target of 6m. grt capacity by 1981. The grt figure was pared last year to 4.2m. grt. In June or July a 200,000 grt capacity shipyard at Jukdo will be completed at a cost of $8m. by the Korea Shipbuilding and Engineering Corporation (KSEC), a company which ranked together with Hyundai before the big Ulsan yard was built. Now KSEC hopes to catch up with the Jukdo yard and the much bigger Okpo shipyard being built for completion in December, 1977. The Okpo yard will have a capacity of 1.2m. grt (still far less than Hyundai's 2.75m. grt at Ulsan), and will be geared primarily to small- and medium-size vessels, not supertankers like the yard at Ulsan.

Hyundai and KSEC will account for virtually all Korean shipbuilding capacity over the next ten years, although there are smaller firms such as Dae Sun, Dae Dong and Koo-Il which plan to expand their yards to accommodate bigger orders for small and specialised cargo and fishing vessels. But if there is an appreciable change in the line-up of the Korean industry, it will be in KSEC's share of total contracts and a slow erosion of Hyundai's 80 per cent. stranglehold on the market in terms of earnings and 90 per cent. in terms of tonnage.

At least two blueprints for large-scale shipyards have been shelved (with not a little prodding from the Government) in the past 18 months, and there has been active discussion about whether Korea has pushed this sector too fast in recent years. Giving rise to this concern, for instance, was the fact that Korea far exceeded its planned capacity for 1976 (it was planned in 1971 at 1.3m. gross tons but rose to over 2.6m. grt). Had world demand for ships remained as high as it was when the Hyundai and KSEC investment decisions were made, both production and exports would also have far outstripped the amounts planned: instead, the industry had to work at a very low operating rate. Production was planned at 1.21m. grt, but is currently estimated for 1976 to have been 684,000 grt, and exports, planned at 800,000 grt only amounted to around 600,000 grt. In other words, Korean Shipbuilding had double its planned capacity but only two-thirds of its planned market and, as a result, the industry produced only a quarter of the gross tonnage it had the capacity to build in 1976.

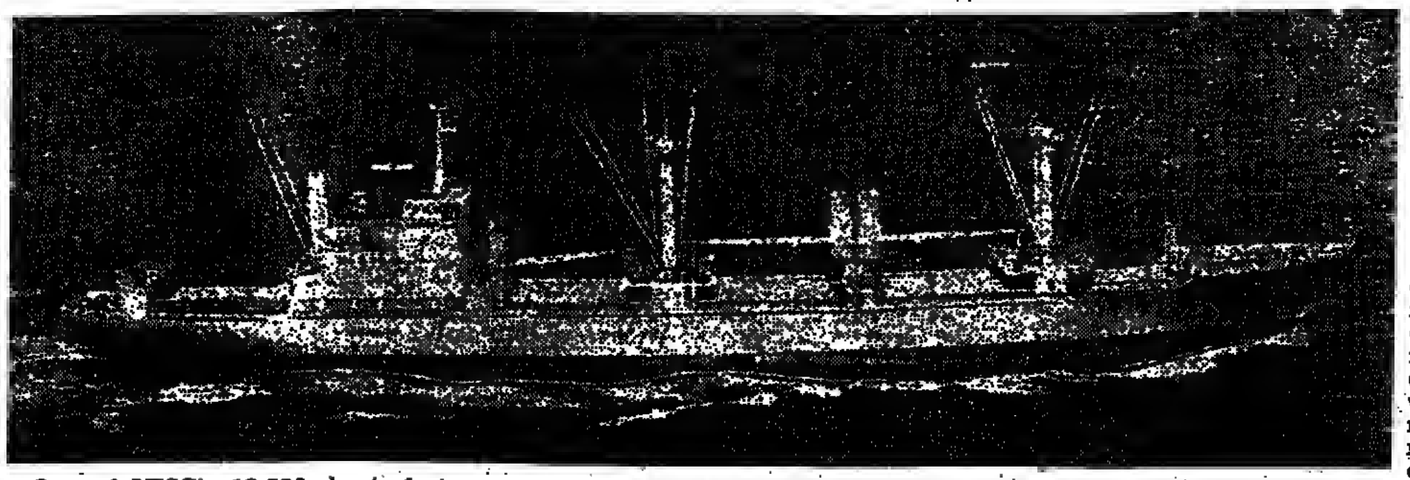
The Seoul authorities refuse to be pessimistic about future demand, and the present Five-Year Plan is geared to raising the value of Korean ship exports to at least $1bn. a year by 1981. Moreover, Korean shipbuilders are counting on strong guidance by Seoul for Korean shippers to place orders with them. There may be some reservations on this, especially after 1978 when the proportion of export production was much higher (87 per cent.) than was planned (68 per cent.). But the Government estimates that between now and 1981, Korea's own new ship needs will be met by 1m. tons of cargo ships made in Korea, 326,000 tons of imported ships, and a further 1.8m. tons of charters. But the domestic component will no doubt depend to some extent on Korean shipyards' continued ability to undercut Japanese shipbuilders on small and medium-size vessels.

Douglas Ramsey

KOREA'S SHIPBUILDING CONTRACTS, 1968 to 1976

Shipyard	No. of vessels	Tonnage (dwt)	Amount ($m.)
Hyundai	59	3,826,000	1,042
Korea Shipbuilding and Eng. Cpn.	40	376,000	195
Others	42	84,000	68
Total	141	4,286,000	1,305

Growing charter market



One of MISC's 12,528 d.w.t. fast general cargo liners, the Bunga Teratai, on the Far East-Europe service.

ANXIOUS TO reduce the heavy outflow of finance through chartered-in tonnage, India is steadily increasing the size of its merchant fleet with new vessels ranging from large, fast, dry cargo liners to 100,000 dwt bulk carriers. At the end of 1976 India's merchant fleet (vessels of over 100 tons gross) totalled 526 ships representing just over 5m. grt, placing the country 17th on the list of principal merchant fleets of the world, close behind the Netherlands, Singapore and Denmark. Vessels on order for the Indian flag currently number 39, totalling 1,334,130 dwt, with the emphasis on bulk carriers, of which there are 20 on order with a total carrying capacity of 688,200 dwt.

Port development in India has not been as rapid as shipowners might have wished, and as a result the number of large bulk carriers on order has been restricted. Better facilities are on the way, however, and a new deep draught coal port has been commissioned at Haldia which is being developed as an auxiliary port to Calcutta, India's chief coal exporting centre. With the prospect of exporting some 19m. tonnes of Indian coal to EEC countries, Japan and Taiwan, the availability of a new berth capable of handling 60,000 tonners will mean the despatch of between 4m. and 5m. tonnes of coal per annum. An ore berth is also under construction at Haldia, designed to handle 80,000 tonners, the ore being loaded at 6,000 tonnes per hour to give an annual throughput of 8m. tonnes.

Indian coal has the advantage of being low in sulphur content and because of this several EEC countries including France and West Germany are showing great interest and several large trial orders are now in hand. Taiwan has also become involved to the extent of a trial order for 40,000 tonnes of Indian coal.

Not all the proposed schemes are being carried through, and the plan to build a new port at Nhave Sheva, Bombay, with a container berth alongside deep draught berths for tankers and ore carriers has been postponed. At present India does not own any fully cellular container ships, although the majority of the new cargo liners entering service each carries 200 to 300 containers. Commercially there is currently very little interest in containers to and from the Indian ports, but the recent agreement between India and the Soviet Union to introduce an exclusive container service between India's west coast ports and Russia's Black Sea ports to be in operation by 1980 is an indication of the potential value of the future container development. By 1980 the new container berth at Haldia will be completed, and improved container facilities should be available at Bombay and Cochin on the West coast. If India is to meet the 50/50 terms of the new container agreement with Russia, at least one fully cellular container ship will have to be provided under the Indian flag. Until the necessary infrastructure is completed there will be a monthly shipment of 50 containers each way between Bombay and Odessa and vice-versa.

Consortium

To the shipping industry the new agreement can be seen as the means of encouraging Indian shipping companies to form a consortium to own and operate container vessels. Companies such as the Shipping Corporation of India, the Scindia Steam Navigation Co., and India Steam Ships operate a cargo service to the USSR so that there is already a substantial degree of involvement on the route.

Business has been booming for Indian exporters over the past 18 months, with the emphasis on manufactured goods to the Middle East, Africa and Asia; but whereas the future for the bulk commodities market has been improved as a result of the better port facilities, the situation for the export of small quantities of high value goods is causing concern. On the basis of volume and diversity it is not profitable for cargo ships to call at India's smaller ports, which is ironic as many new industries have been set up around the country to reduce the over-capacity in the traditionally industrial areas.

It is expected that an agreement will shortly be announced between the Scindia Steam Navigation Company and Nigerian shipping interests for a new service between India and West African ports.

Special consideration is being given to the greater use of expanding foreign exchange reserves to purchase ships from foreign shipyards, using finance provided by the Shipping Development Fund Committee, and the Indian Government has already placed harbour craft and equipment on its purchasing priority list. Nearly $110m. has been appropriated for port development projects in the fiscal year which started on April 1.

At the most recent count the fleet of the Malaysian International Shipping Corporation showed a total of 24 vessels representing over 550,000 d.w.t., and as there are 13 more vessels on order for delivery within the next year, this will become one of the largest State-owned fleets.

Under the directives of the Malaysian Government, the MISC is now launched on a full-scale plan of expansion as well as diversification out of the pure liner trades in which it began its existence. The present fleet includes timber chip carriers, coasters and palm oil tankers, and an impressive fleet of dry cargo ships operating in the Far Eastern Freight Conference.

Before the end of the year the Corporation will take delivery of five of the six remaining handy-sized bulk carriers on order (all building in Japan and ranging in size from 18,500 to 35,000 d.w.t.), but although the market for bulkers is depressed these vessels will be traded on the open market. More open to criticism, however, is the decision of the Malaysian corporation to invest in a fleet of liquefied natural gas (LNG) carriers and five of the six vessels involved, all of 130,000 cubic metres capacity, remain on order at two French shipyards. The original plan was for the vessels to be used for the carriage of LNG from the gas fields of Sarawak to Japan, but it now seems unlikely that the plant involved will come on stream before 1980.

One of MISC's responsibilities has been to introduce modern cargo handling methods to the country's coastal cargo services and the four 3,950 d.w.t. vessels built for the Corporation by the Miho shipyard, Japan, are each fitted with 30-ton heavy lift cranes and can carry both containers and pallets. The ships operate between Peninsular Malaysia and Sabah and Sarawak. It is believed that MISC will shortly beco[me] directly involved in the ope[ra]tion of large fully cellular co[n]tainer ships.

There are brighter prospe[cts] ahead for the Corporatio[n's] edible oil tankers, the latest [of] which entered service in 19[7.] These are 30,000 d.w.t. vess[els] which are operated in a po[ol] formed by MISC and Panocea[n.]

After relying for more than [a] century on the ships of oth[er] nations for the carriage of t[he] country's cargoes, the Gover[n]ment of the Philippines h[as] embarked on the large-scale d[e]velopment of a nation[al] merchant fleet. The project cu[r]rently involves the constructi[on] of 71 vessels during the peri[od] 1977-86 at a cost of about $175[m.] of which nearly $100m. will [be] provided by foreign financin[g.] The immediate need is f[or] money for the construction of [.] inter-island cargo-passeng[er] vessels of from 500 [to] 1,500 d.w.t. estimated to requi[re] about $40m. To raise some [of] the money the Government ha[s] approached the Europea[n] Centre for International C[o]operation (CECI), an associ[a]tion of industrial and financ[ial] companies.

More than $500m. per year [is] committed by the Philippine Government in freight charges using foreign vessels, and it [is] estimated that in five years' tim[e] that the freight bill will reac[h] $1bn. unless the country scrap[s] a major part of the present 6[.] vessel fleet, most of which ar[e] 16-year-old ships, and builds o[r] purchases new vessels. Althoug[h] it may be increased by the en[d] of the year, the target for 198[.] is an increase in the fleet of 4[.] per cent. (which means anothe[r] 2.3m. grt of shipping), with priority going to ships for the carriage of oil imports an[d] agricultural commodities. The Philippines' national fleet cur[]rently totals 457 ships repre[]senting a d.w.t. of 1.4m. o[r] 1.0m. grt.

Tonnage

Some of the proposed tonnage may be built at a new shipyard that it is proposed to set up at Subic Bay, south of Olongapa and 60 miles to the west of Manila. It is believed that the Japanese shipbuilding company, Kawasaki Heavy Iodsutries, will assist in the construction of this facility.

With a comparatively large annual tonnage of sugar to be exported, the Philippines needs bulk carriers, and handy-sized versions of this class (20,000 to 28,000 d.w.t.) will form part of the investment in new tonnage. Already the Philippines has taken delivery of three of a series of four 26,000 ton bulk carriers from Govan Shipbuilders (U.K.), and a fourth will be delivered later this year. Recent deals concluded by the Philippines with the Soviet Union, China and some U.S. interests for the sale of 2m. tonnes of sugar will mean a demand for bulk tonnage, and in the long-term the prospects for the increased export of copra, hemp, tobacco and lumber are good. Current Philippines shipbuilding orders in Japan include several 7,800 d.wt. and 6,800 d.w.t. dry-cargo vessels.

W. D. Ewart
Editor, Fairplay International

HONG KONG/SINGAPORE

Need for a bigger role

HONG KONG'S owners began to play a part in the development of flags of convenience in the late 1950s and now own 25-30 per cent. of the world's tonnage registered under such flags. And with about 5 per ceot. of the world's merchant shipping tonnage Hong Kong-owned, there are strong arguments for the Colony having its own shipping register.

The move would bring money into Treasury coffers, give local owners a sense of identity and give Hong Kong greater control over a vital sector. Owners back the idea because it would give tha Colony a strong voice in international conferences, and they would probably save money: Y. K. Pao, architect of the world's largest independent merchant fleet of almost 160 vessels, once reckoned his gronp would have to pay only 10 per cent. of what it now pays Liberia in registration charges.

Detractors claim that safety standards would be set too low, and that there are legal and constitutional problems. In fact, as Jimmy Macgregor, executive director of the Hong Kong General Chamber of Commerce, said recently, "Hong Kong has everything necessary to operate a registry successfully and nobody in Hong Kong has any doubts about its benefits."

The real problem is opposition from British seamen's unions, which exert more pressure on the Labour Government than on the Tories, during whose last term of office negotiations for a register got under way. The proposal is now in abeyance, but will be resurrected when the moment is judged opportune.

Registration

At present about 71 per cent. of Hong Kong-owned ships are registered in Liberia and 15 per cent. in Panama. Three per cent. is registered in Singapore, where the registry was opened to foreign-owned vessels in 1969 and last year passed the 6m. GRT mark, taking it to the position of the 15th largest merchant fleet in the world.

Hong Kong is more of a shipowning centre than Singapore, which is strategically placed at the meeting point of the South-east Asian sea lanes, giving it an enormous potential for maintenance and repair work.

Shipping was the only industry to be named specifically in the terms of reference of the tax review committee which recently presented its report to the Hong Kong Government. The authors of the report clearly were intimidated by the complexity of the tax structure of the industry (a difficulty which also affected the two previous tax committees) and admitted that while tax havens exist even the charging of the whole of a resident's ship-owning profits was unlikely to produce increased revenue.

While they favoured higher contribntions to revenue by shipowners (who make maximum use of the Colony's infrastructure for obtaining carriage contracts with the ships, in many cases, being controlled and managed from the colony but all profits given an outside source), they pointed out that any move to reach the large profits being made would require detailed and complicated legislation involving radical change and would probably be counter-productive.

Several submissions to the committee warned that if legislation drove owners to shift their agency business to other centres, the result would have "a major effect" on the Colony. The committee therefore did not recommend legislation "to lift the corporate veil" or bring sub-agents managing or controlling ships within the ambit of the ordinance.

The committee pointed out, however, that since nowhere in the world were the charter hire earnings of a non-resident shipowner taxed in the country visited by his ships, the provisions of the existing legislation were effectively giving the resident Hong Kong shipowner a tax-free bonus.

They therefore recommend that earnings by the shipping industry should be taxed on all charter hire business (with the limited exception of charter hire receivable under general charters without demise), thus making it impossible for resident shipowners to avoid Hong Kong tax by attributing charter hire to a permanent establishment abroad.

A secondary recommendation in relation to non-resident shipowners was that they should ba assessed on a fixed percentage of freight uplifted in Hong Kong and that this should be a final not a provisional figure, which wonld simplify the administration of the ordinance.

It has been suggested elsewhere that shipowners might be prepared to exchange fairly high registration fees on a local registry (possibly with guarantees of a certain level of British manning) in return for a more certain immunity from Hong Kong should the administration adopt a more onshore attitude by registering locally.

At present at least half the Hong Kong-controlled fleet is fixed on long-term charters to the major Japanese shipping companies — the Shikumisen arrangement, which enables a Hong Kong ship to be guaranteed a profit before it is built—but indications are that in the long-term this will gradually change so that tha owners will come to show greater resemblance to their European counterparts, with more emphasis on profitability of fleets rather than size and the maximisation of security.

In the immediate future shipowners will build fewer vessels in Japan and expand their fleets more slowly, bnt profits are expected to rise as liquidity positions improve. The president of the Wah Kwong Gronp, Mr. Frank Chao, considers that as the shipping market livens up Hong Kong owners will turn to South Korean and Taiwanese yards for new vessels.

Part of the explanation for the reduction in orders at Japanese yards is that Tokyo has unofficially loosened its control on Japanese shipping companies establishing subsidiaries outside the country that provide charter ships to the parent companies. As a result, in the last two years major Japanese shipping interests hava been chartering from their overseas subsidiaries rather than from Hong Kong and other shipowners.

Consolidation

In Singapore, where shipbuilding and ownership has consolidated its position as a major industry, helped by a superb location and labour stability, the Shipping Association suggested earlier this year that the authorities should investigate why local owners were not ordering new vessels from local yards, when new business was needed in a slack period. Secretary General Kua Phek-Long said the problem facing owners was the increasingly high cost of operation, so that it would soon become uneconomic to own and operate vessels below 10,000 dwt.

The industry was seriously hit by the world recession in 1974-75 and suffered further setbacks in 1976 because of higher port charges and policies of neighbouring countries, particularly Indonesian documentation requirements for high-duty goods and a law controlling foreign ships operating in Malaysian waters. Nevertheless, shipbuilding and shiprepair grew by almost 40 per cent. for the year to last June, to S$980m. and the volume of cargo handled in Singapore last year increased to 58m. tonnes, up 11 per cent. over the 1975 figure, giving a net surplus of S$97m., compared with S$83m. the previous year.

Singapore, which is the main drydocking centre for the Soviet merchant fleet in the Pacific, has been suffering from the effects of decisions taken in better times which have resulted in a virtual doubling of drydock capacity in the international repair market over the same period. Fortunately, there have been few casualties in Singapore, thanks partly to the resilience of both labour and management.

Complaints have been made that the lines of credit to yards and owners are insufficiently attractive. "If the industry had to rely on these," said Mr. G. E. Bogaars, Chairman of the Government-owned Keppel Shipyard, "it would lose much international business." Making the most of the difficult times, Keppel started a joint venture with local ship consultants Seatrans Anchor to provide "absolutely secure lay-up facilities for very large crude carriers and ultra-large carriers in the waters off Singapore... tha first professional operation of its kind anywhere in the world."

Attempts are also being made to establish a ship design centre in Singapore, which wonld be particularly beneficial to small yards.

Meanwhile, interest and emotion in both Singapore and Hong Kong is focused on proposals by the Far East Freight Conference for another freight rise in the region of 13 per cent., only abont a year after a similar increase. Several voices are pressing for an overhaul of the system, or at the very least of the way tariffs are set. If they are heeded the governments of the Asian conntries most affected could decide to step in and change the rules themselves.

Danny Nelson

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The Management Page

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SALARY SURVEY

BY NICHOLAS LESLIE

Skill and effort merit reward

MANAGERS ARE suffering disproportionately from the effects of inflation and tax pressures, but will have to continue to exercise restraint in the coming phase of the battle against inflation, Mr. Roy Close, director-general of the British Institute of Management, says in the institute's latest national management salary survey.

Nonetheless, Mr. Close also argues that managements "desperately need the flexibility to reward skill, effort and responsibility so that we can improve competitiveness and raise productivity and output. That is the only way to beat inflation."

The survey was carried nut for the BIM by Remuneration Economics, and it embraces 3,393 directors and 17,469 supporting management. It shows that in four typical levels of management salary levels have fallen by between 17.5 and 34.4 per cent. in the three years to 1977—and this is despite gross pre-tax salary increases in the period of between 38.3 and 55 per cent.

The survey was completed prior to the recent Budget. But while acknowledging that proposed income tax changes are a "small step" towards restoring incentives, Mr. Close then suggests that for the average manager tax gains announced in the Budget "will be wiped out by mid-1977." This is on the basis of the implications behind the Chancellor of the Exchequer's speech—inflation at about 13 per cent. by next January; a phase two policy holding till July; and a further agreement with the TUC leading to release of conditional income tax concessions.

Mobility

One of the "more significant findings" of the survey is the apparent increased mobility of managers during 1976—a trend which conforms to findings of surveys carried out by other organisations in recent months. "The evidence of this, based on a comparison of companies taking part in both the 1976 and 1977 surveys, suggests that many managers faced with a continuing reduction in their real standard of living over the past 12 months have been changing jobs to obtain a reasonable salary increase," says the survey.

Some mobility is seen as healthy, but too much is disruptive. "Some of the companies taking part in the survey have clearly suffered from higher mobility than usual for they have commented on 'job changing', 'higher turnover' and the 'problems of retaining staff'."

Looking at the progressinn of salaries and the effects of inflation, the survey shows, for example, what has happened at three different salary levels in the period projected through from January, 1974 to July, 1977. Someone earning £7,209 gross in 1974 will have seen an average earnings rise of 45.8 per cent. to £10,511 by next July. But net spending power, fnr a married man with two children under 11, will have fallan by 24.2 per cent. from £5,249 to £3,979, on the basis of constant 1974 prices. The erosinn is even more marked for a man on £19,100 gross in 1974, rising 40.5 per cent. to £26,833 in July this year. His net spending power will have dropped from £9,882 to £6,491.

For the year to January, 1977, alone the average increase in the gross salary levels of directors and executives was just under 2 per cent., compared with a rise of 11.8 per cent. in the national index of average earnings and an estimated rise in salaries generally of 10.5 per cent.

The BIM's survey is broken into two parts, the first containing a review of the findings relating not only to salaries, but also to bonuses, fringe benefits such as company cars and school fees, and to pensions and company policy on employmeot conditions. The second part embraces a wealth of statistics hroken down in various forms, covering such things as different salary levels fnr different management positions in a variety of industries and in varying sizes of company.

Thus, for example, the average salary for a chief executive in a company with less than £2m. of turnover was £10,107 a year, while those on the ninth rung of tha management ladder—described as middle management (2)—are getting £3,550. Each level rises progressively until in o company with nver £250m. of turnover the chlef executive averaged £34,711, with the lowest level of middle management included in the survey getting £6,598. Other breakdowns highlighted, for instance, the considerable variance of salary levels in different parts of the country.

But while this points to much wider differentials in gross pay between top and middle management in larger companies compared with small concerns, the picture changes dramatically at the net salary level. In a large company—that is, one with sales in excess of £75m.—a gross differential of 5-to-1 is eroded to 2.5-to-1 net. In small companies—those with sales of less than £2m. a year—the gross differential is 3.2-to-1 and at the net level is 2.4-to-1.

Bonuses emerged as being an important part nf executives' total pay. In all, 6,865 executives—35.4 per cent. of the total sample—received bonuses, compared with 28.1 per ceot. of the sample in last year's survey, and the most common form of bonus was performance related. Average boouses ranged from £4,196 for chief executives down to £340 for those at the ninth management grade.

A breakdown of tha distribution of salaries showed that just over 15 per cent. of the sample earned salaries of over £10,000, compared with 12 per cent. last year, while just 1.7 per cent. (against 1.4 per cent.) received over £20,000. Just over one-quarter nf 1 per cent. earned ever £30,000.

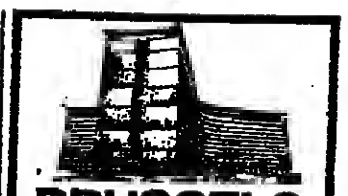
Among fringe benefits, free telephone allowaoces were more widespread, being available in 46 per cent. nf companies, compared with 38.5 per cent. previously, while there was also an increase from 12.5 to 15.4 per cent. in executives receiving loans at advantageous interest rates. Although the number nf directors provided with a company car was not significantly different, the number of supporting managers given cars rose sharply from 33 to 51 per cent.

BIM National Survey 1977, available from Remuneration Economics, 51, Portland Road, Kingston-upon-Thames, Surrey KT1 2SH. Non-members (participants) £75 (non-participants) £90, plus £1 postage.

AVERAGE SALARY MOVEMENTS IN PAST 12 MONTHS

Position	Gross before tax 1976	Gross before tax 1977		Net after tax 1976	Net after tax 1977	
	£	£	% change	£	£	% change
Chief executive	19,986	20,797	+4.0	9,349	9,865	+5.5
Deputy chief executive	16,743	16,544	−1.2	8,539	8,802	+3.1
Other directors	14,182	14,859	+4.8	7,793	8,296	+6.5
Senior heads of function	9,845	10,365	+5.3	6,246	6,729	+7.6
Other heads of function	8,833	8,937	+1.2	5,818	6,096	+4.8
Senior management I	8,124	7,945	−2.3	5,489	5,595	+1.9
Senior management II	7,481	7,090	−5.5	5,168	5,124	−0.9
Middle management I	6,467	6,313	−2.4	4,619	4,748	+2.8
Middle management II	5,039	5,453	+8.2	3,732	4,089	+9.6

N.B.: Before inflation of 16.6%; tax based on married man with two children.
Gross salaries are taken from firms that took part in both the 1976 and 1977 Surveys.


BRUSSELS

A centre for co-operation

BY MICHAEL LAFFERTY

BRITAIN IS now the biggest user of the services of the EEC Business Co-operation Centre, the little-known "marriage-bureau" for small and medium-sized firms in the Community, which was established in 1973.

Headed by Mr. Roger Peeters, a Belgian, with a staff of only nine, the Centre, linked to the EEC Industrial Affairs Directorate, sets out to do its best to help firms adapt themselves to the conditions of the Common Market. The objective is to achieve greater cross-frontier co-operatinn which would range from all types of association, to mergers and the establishment of joint subsidiaries.

The Business Co-operation Centre's 1976 report has not yet been published, but it is known that in the period from November 1975 to March 1977 almost twice as many requests for information were received from British firms as from any other EEC country. In fact in that period there were 223 British requests for information, compared with 122 from France, 109 from Italy and 101 from Germany.

Once the Centre has an adequate profile of the firm seeking a partner in another EEC country it checks this against any suitable firms already registered, and if there is none circulates an anonymous summary of the firm and the type of co-operation required to a network of business associations, chambers of commerce, Government bodies, banks, etc., throughout the rest of the Community. In the U.K., fnr example, the Centre's circulars are published monthly in Trade and Industry, the magazine of that Department. Chambers of Commerce also circulate the lists to their members.

This was the second test of interest in the Centre. In the 17 months tn March 1977 replies from interested firms again show the U.K. in the lead with 348 replies, followed closely by Germany with 325; France produced 179, Belgium 168, Holland 130, and Italy only 69.

But the acid test must be the actual number of agreements entered into. The Business Co-operatioo Centre reckons that at any one time it only knows of about two-thirds of these, but the latest figures available show that 51 agreements are known to have heeo signed sioce the Centre commenced work. British companies were involved in 26 of these, French in 25, German in 23, Belgian in 17, Dutch in ten, Italian in nine, Danish aod Irish in three each, while Luxembourg accounted for one.

According to the Centre the most active sectors are those in which there is a very large number of small and medium-sized firms, and where cross-border integration of marketing and prodoction facilities is possible. The best examples are the chemical industry, structural steel products, mechanical engineering, and the food industry. But Mr. Peeters is surprised that there has not been greater interest from the wood, timber, construction and transport sectors "where restructuriog would appear to be not just possible but also desirable."

> For the past four years a little-known organisation has been helping companies to forge closer links in different parts of the EEC.

The firms which apply to the Centre normally employ betwaen 50 and 400 people; the average is around 250. The majority of the applicants usually seek co-operation in the form of reciprocal marketing of products, the exchange of know-how, specialisation or transfer of production, and, occasionally, financial links in the form of shareboldings.

There seems to be no doubt that in the U.K. the Birmingham Chamber of Commerce has probably been one of the most successful in promoting EEC business co-operation than any other body. Indeed Newman-Tonks, a Birmingham-based quoted company which manufactures hydraulic door closing devices, provides an excellent example of how the Centre can be used to advantage.

The company, which had a 1976 turnover of £16m., had been seekiog expansion opportunities in Europe since 1971, but in the words of managing director, Mr. Edward Barnes, "these proved expensive and fruitless, although negotiations with two companies were almost completed." The negotiations failed because of "difficulty in agreeing a valuation of assets and profit forecasts."

In September, 1973, Newman's export and marketing director made contact with the Business Co-operation Centre in Brussels. He completed a questionnaire expressing the company's desire to enter into a joint venture and provided certain production, marketing and financial information in confideoce. There followed a period during which the Centre distributed informatioo about Newman throughont the rest of the Community. By early 1975 the useful replies had been narrowed down to four or five. One was the German company, Gretsch and Co. of Stuttgart, which oparated in similar markets to those of Newman. Indeed Newman had approached the same company, when it had heen under different management, in 1972 with a view to an acquisition.

Eventually an agreement with Gretsch was reached for the distribution of certain Nawman-Tonks product lines in selected European markets. Shareholders were told by Newman's chairman at the end of last year that this "has proved to be most successful and we look forward to a further expansion of sales through this company."

Other companies wishing to get in touch with the Business Co-operation Ceotre would be advised to contact it direct at the address given below. There is a surprising lack of information on the Centre, even from those bodies primarily involved. The scanty brochure provided by the EEC office in London did not include an official of the Centre and the telephone numbers provided were out of date.

Business Co-operation Centre, Rue Archimede 17, B-1040 Brussels. Telephone: 735 59 13/735 59 48.

BUSINESS PROBLEMS

BY OUR LEGAL STAFF

Offshore trust

Are profits for dealings in offshore commodity holding trusts taxed as capital gains at the maximum rate of 17½ per cent.?

To be eligible for the 12½ per cent. maximum effective capital gains tax rate (that is 30 per cent. less 17½ per cent. credit), a unit trust must be authorised under the Prevention of Fraud (Investments) Act 1958, or the corresponding Northern Ireland Act, so no offshore or oversea unit trust can qualify. Similarly, but for a different reason, no offshore or oversea investment trust can qualify. The legislation is in sectioo 112 (1 and 13) of the Finance Act 1972 as amended by section 63 of the Finance (No. 2) Act 1975.

Lack of a freeholder

It is nneconomic to keep going a private company whose only asset is the small ground reots. The tenants have been offered the freehold free of charge, bot dn not want them. Can the directors resign, collect no rents and have the company struck off the register after not filing annual returns? If so, what would be the position of the tenants shonld they wish to assign their leases?

By not filing aoy annual returns you can procure that the company is struck off the register under Section 353 nf the Companies Act 1948. Technically the freeholds would then vest in the Crown: in practice nothing would be done about them. You should inform the lessces that the company may well cease to exist and that they might then find the lack of freehold owoer an embarrassment, and suggest again that they accept o transfer of the freeholds. If they persist in their refusal you can then allow the company to be struck off.

Tenancy

In our reply of February 23 under Agricultural tenancy, we should bave pointed out that where the intention is to recover possession for the purpose of effecting a letting of a house to an agricultural employee of the landlord, possession could be recovered under Case 12 of the 3rd Schedule to the Rent Act 1968. The original letting to a non-agricultural tenant should expressly state that possession might be sought under Case 12.

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No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

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WEDNESDAY, APRIL 27, 1977

Unemployment trends

RECENT unemployment figures have been encouraging, but perhaps deceptively encouraging: the trend is by no means clear. Tha totals for November aod December had to be estimated and lumped together because of industrial action inside the Department of Employment, but showed a continuing rise. The January figure showed a much sharper rise, bnt this—as in the case of other economic indicators for that month—may have been partly due to distortioo of the usoal seasonal correction by the prolonged Christmas holiday. The February result was a fall of 6,000, the March result a steeper fall of 10,000: and in rose by a negligible 1,000. The rose by a negligible -,000. The three months taken together undoubtedly represent a marked improvement on the experience of mid-1976 and ooe on which Mr. Booth, the Secretary of State for Employment, bas not been slow to comment.

The figures for notified but unfilled job vacancies have also been improving since the early autumn of last year. The same industrial action prevented the collection of individual figures for the four months November-February, but the average monthly increase in this period was 6,500. It was 7,000 in March and turns out to have been smaller bot still positive at 1,000 in April.

Output growth

The valne of the vacancy figures as an indicator, bowever, is limited in general by the small size of tbe figures involved and recently by the relatively high proportion of total vacancies concentrated in London and the Sonth East—the region in which percentage unemployment is lowest. The apparent improvement in the unemployment figures may be largely dne to the various measures wbich the Government has taken to postpone redundancies or create temporary jobs. These are estimated to be belping over 300,000 people and to be reducing the number of those on the unemployment register by some 200,000; moreover, it is believed that they are at present producing their peak effect.

If the matter is considered from a more general point of view, the very slow rate at which national output is growing at present provides little reason for supposing that a marked change in the upward trend of nnemployment has taken place. It is normal for firms, in the first stage of a business upturn, to increase the amount of overtime, working rather than take on more workers. This tendency bas almost certainly been accentuated by recent legislation whicb makes it more expensive and difficult to discharge labour: once the painful decision to reduce the size of the labour force bas been taken, managers are likely to think at least twice before deciding to increase It again. To the extent that the recovery in ontput has been slower than expected, the general prediction that unemployment would rise throughout tbe year to a level of abont 1½m. by the end of it has become even more plausible.

School leavers

The immediate danger, however, as Mr. Booth remarked yesterday, is the growth of unemployment among school leavers. The number of unemployed school leavers rose markedly in the montb to mid-April, but the bulk of children leave school in the summer rather than the spring. Withoot special action to deal with their particular problem, they alone could push the crude unemployment figure above 200,000 by the summer. The Manpower Services Commission was yesterday considering a report on means of achieving the aim outlined in the last recommendations of the Labour/TUC Liaison Committee, that every school leaver unable to find a job on the open market should be offered special assistance in getting work or tbe opportunity of further training. Measures to bring this about are therefore likely to be announced before long. If they are to take effect before the bulge in nnemployed school leavers appears, they will have to come before any other stimulatory measures which the Government may have in mind.

M. Barre sticks to his policies

THE PACKAGE of measures introduced by Professor Raymond Barre in the National Assembly yesterday does not represent a change of course in French Government economic policy. On the contrary, the French Prime Minister bas made it clear that be intends to maintain the empbasis on the anti-inflation plan, colloquially known as le plan Barre, which he introduced last September, until inflation is brought under control.

In the event the anti-inflation plan bas bad some success, but it bas been slower and more limited than the government seemed to be expecting when the original tax and price measures were tabled a little over six months ago. The rate of price increase has come down somewhat from the levels of last autumn, but is still bovering in the region of 8 per cent. a year; this may compare favourably with the position in Britain, but it does not match the achievement of neighbonring Germany. Similarly, the deficit in France's overseas trading account has been sharply reduced, but it shows no immediate sign of being eradicated.

Unemployment

Bnt predictably one of the side effects of the price restraints and tax increases has been to push up the number of unemployed, who now total more than 1m. It is this problem whicb Professor Barre is attempting to deal selectively in the latest batch of job-promotion measures. The cost of tha programme, totalling around £400m., may give some extra stimulus to economic activity generally, but that is not its primary purpose, and the Government does not intend any global reflation during the rest of this year.

So far as it goes, the programme is praiseworthy for its attempt to alleviate one of the most distressing and socially damaging aspects of current high unemployment, its disproportionately heavy impsct oo the young. In France as in so many European countries the young are at a serious disadvantage in the searcb for jobs, and the Government will have done well if its incentives mitigate the problem, especially in the autumn when a new batch of school-leavers comes onto the job market. Yet it may be doubted whether the incentives can bave more than a partial impact, so long as tha underlying level of unamployment, of all age groups, remains so obstinately high.

Scepticism

The incentives to induce immigrant workers to return bome may also be the object of legitimate scepticism. The bonus offered, of Fr.10,000, seems fairly generous, and even if it were only taken up by a small proportion of the 2m. foreign workers, the impact on the uoemployment figures could be noticeable. But if tbe choice lies between unemployment in France and unemployment in Algeria or Portugal, the lump sum may not aeem all that large.

It is hard to believe therefore that the latest package will have a dramatic effect on the unemployment problem; it is even harder to imagine that it will have a dramatic impact on the political standing of the Government. Neither in France nor in the U.K. do trade unions seem to care much about youth unemploymsnt (since the young are, almost by definitioo, not union members); it is difficult to see the French unions giving op their protest strikes against the Government's economic policy.

In view of the Government's recent setback in tha municipal elections, Professor Barre is showing some courage in sticking so consistently to his chosen line. Yet it is the courage of a man who does not, apparently, nurture long-term political ambitions. France's economic problems look manageable compared with our own; but French voters may not be infinenced by this contrast when they go to the polls a year from now.

The U.K. oversteps the mark

BY ROBIN REEVES in LUXEMBOURG

THE AGRICULTURE Ministers of the Nine have once again performed what bas been described as tha annual prices miracla. In spite of representing widely differing aconomic and social conditions, they managed early yesterday morning to reach a compromise package agreement on increased common farm and food prices, the centrepiece of which for Britain is an 8½p a lb EEC financed butter subsidy to cushion the Common Market-inspired increase in U.K. butter prices over the coming year.

It wonld be fair to say thst nobody is particularly bappy with the outcome. Partly this is the very nature of a compromise bnt also there is a gennina feeling among tha other eight that Mr. John Silkin, the U.K. Minister of Agriculture, overstepped the mark in defence of the purely British national interest.

The Council of Agricultura Ministers is of all the EEC ministerial councils a club whicb is always willing to come to tha rescue of a Minister wbo pleads be bas genuine political difficulties. This fact was exploited to the hilt by Mr. Silkin's predecessor, Mr. Fred Peart, particularly during the period of renegotiation. He won many concessions by a combination of natural charm and personal appeals as a Minister-to-Minister basis.

But Mr. Peart's willingness to dafend the Community game in front of a House of Commons containing a vociferous number of MPs still not reconciled to EEC membership, undonbtedly contributed to his being moved.

From the outset Mr. Silkin opted for a hard-nosed, chauvinistic approach in his EEC dealings, combined with a certain amount of preaching about the need for the reform of the CAP. His refusal to devalue the Green Pound last autumn was the first manifestation of this, followed by the introduction of a national subsidy for pig producers — the first blatant contravention of CAP rules by a British Minister.

When it came to the current prices negotiations, the preaching about CAP reform was stepped up. The Council was urged to freeze prices for farm commodities in structural surplus for 12 months as tha best way of discouraging excess production. The list included milk, wine, olive oil, and certain fruit and vegetables. This was even though the Brussels Commission's formal price proposals envisaged only a 3 per cent. average rise in common EEC farm prices, which is modest by any standards.

Translated into national farm price guarantees, the Commission proposals envisaged an actual rednction for German milk producers and no increase for Benelux because of accompanying adjustments in Green currency rates.

As it turned out, after four days of almost continuous negotiations in March, the rest of the Council united behind a compromise package now agreed which adds another ½ per cent. to all guarantees and, more controversially, provides for a 3½ per cent. milk price rise immediately, rather than nothing until September, as originally proposed. It also, among other things, does not meet British demands for the total supression of the tax on iso-glucose—the rate was only halved, or remove the ban on investment aid in the milk sector, or reduce very generous Brussels financed payments to small EEC farmers to switch from milk to suckling calves or beef production.

But there comes a time in any negotiation, when a Minister must stop preaching what is good for the community as a whole and take what he can get. Mr. Silkin's price for swallowing the package was a massive

Mr. John Silkin, Minister of Agriculture and chairman of the EEC agriculture council (right), being greeted before the farm price negotiations.

butter subsidy to cushion the very steep Common Market inspired increase in U.K. butter prices over the coming year. And by blocking completion of the negotiations for a month, Mr. Silkin managed to add another 1p a pound to the Commission's "final offer" of 7½p in March, which compared with an opened bid of 20p a pound.

The progressive alignment of the U.K. butter intervention price to the full EEC level over the next 12 months would have meant a rise in retail prices of the order of 16p on the present shop price of 52p to 54p a pound.

The penultimate transition step of 6p a pound will come into force on May 1, but thanks to the 8½p subsidy and the high level of U.K. butter stocks, shop prices are expected to fall significantly before rising towards September when the Green pound devaluation — delayed for dairy products — will bite. The subsidy will continue until March 31 next year — the last transition step, another 6p a pound, is on January 1, 1978 — but the agreement says the subsidy should be phased out by the end of 1978.

There is of course advantage for the whola Community in staggering the rise in U.K. butter prices. It should help to keep up the exceptionally high level of butter consumption in the U.K., moreover of a commodity which is in surplus.

Yet, as other Ministers made plain, there is a limit to how much they feel the EEC sbould spend subsidising the consumers of one member country, particularly one which gives a continued privileged place to imports from New Zealand.

In these circumstances, the butter subsidy is undoubtedly a major political sweetener for Mr. Silkin, in a farm prices package which any Britisb Minister left to take his own decisions would not have put together. The reduction in butter prices over the next two months will belp to mask the increases in other food prices, some unnecessary, to meet the needs of the U.K. farming industry arising from to-day's agreement and the last two stages of transition laid down in Britain's EEC Accession Treaty.

The prospective food price rises would have been even higher had Mr. Silkin also not managed to bring down the Green Pound devaluation, from the near 6 per cent. originally proposed by the Commission, to only 2.9 per cent. As it is, the rise in U.K. farm price guarantees is expected to be of the order of 10-11 per cent., while the rise in retail food prices is put at around 2½p in the pound.

Whether there will be any long-term fall out from the unpopularity in tha Community which Mr. Silkin's tactics have brought upon himself, and the Government generally, remains to be seen. British Ministers always tend to be vunerable to the charga that they are defending the national interest at the Community's expense, whereas the French ploy is to defend national interest as far as possible by trying to insist that this coincides with the Community interest. The bad atmosphere could generally be expected to blow over but there are other tough EEC issues for Mr. Silkin looming on the horizon. The financial difficulties in the U.K. pigmeat sector arising from the way the Green currency import subsidy arrangements operata on bacon and canned hams—which led to special producer subsidy—have still not been resolved. Mr. Finn Gundelach, the Brussels Commissioner for Agriculture, wants to deal with this as a matter of urgency at the next Council. But the Danes, in particular, promise to drive a hard bargain with Mr. Silkin on this one.

More important in the longer term, tha EEC farm prices settlement leaves the way clear for the Council to return to discussions of the Commission's plan for the gradual but automatic phasing out of Green currencies. With Britain alone opposing the scheme from a position of principle and continuing to enjoy monetary compensatory subsidies on many food imports of soma 30 per cent. in spite of to-day's Green Pound devaluation, Mr. Silkin is liable once again to find himself isolated.

If that were not enough, the long negotiations over revision of the Common fisheries policy, to take account of the move to 200 mile limits, is dne to move inta its final phase shortly. The Commission is planning to bring forward proposals next week which will form the basis for negotiations of exclusive zones — with the U.K. (and Ireland) still officially bolding out for an exclusive band of 35 to 50 miles around their coasts. This is again an issue in which Mr. Silkin has taken a very close personal interest. In Mr. Silkin's defence, it can be said that common EEC policies reasonably satisfactory to all Nine member countries are not achieved by drawing theoretical blueprints for reform, but by hard and sometimes bitter negotiations aimed at reconciling national interests.

Impacts on farmers and housewives

BY JOHN CHERRINGTON and ELINOR GOODMAN

THE DEAL reached in Luxembourg will provide more support for U.K. farm prices than the simple addition of the 3½ per cent. increase awarded by the Council of Ministers and the 2.9 per cent. devaluation of the Green Pound. There are two steps of the transitional period yet to be eliminated. But by next January the basic intervention prices of cereals, for instance, will be raised by 23 per cent. for wbeat and 24 per cent. for barley. Cereal prices for the last few years have been well above intervention prices and are mainly governed by the thresbold prices for imports from third countries. These for next January will ba aronnd £97 a tonne for wheat and £89 for barley. It is difficult to be exact about tbis as final details were not known last night.

According to the British Sugar Corporation, the increased price for sugar will not affect the price paid to British farmers wbich is already above the EEC minimum level.

Beef has had a rise in target price which sbould bring the average received by producers to about £30 per live cwt. and by March 1978 to £32 per live cwt. In addition the variable beef premium has been retained for the present which should avoid the necessity for beef to be sold into intervention unless the market price drops catastropbically.

The milk price is still subject to Government decisions about the retention of the liquid milk subsidy and the guaranteed price to farmers wbicb runs until December 31. After that the price paid is related to the intervention prices for butter and skimmed milk.

The final determination of the milk price to farmers will not be known until after a Cabinet meeting this week, but it is probable that the increase could bring the farm price up to 50p a gallon or above. The milk price determination is affected by the decision made by the Ministers to stagger the increases awarded in stages through to March 1978, and to do the same with the devaluation of the Green Pound. There will also be a 1.5 per cent. coresponsibility levy payable from September.

The devaluation of the Green Pound will have the effect of reducing the Monetary Compensatory Amount on pig meat imports from Holland and Denmark from £256 to £234 per tonne. As Mr. George Howard, chairman of the Meat and Livestock Commission, stated this will do little to help pig producers in their present state.

In general the Council's decision would seem to have bolstered the prospects of the arable farmer in the U.K. and to have done little to improve the situation of livestock farmers because of the increased cost of cereal feeds which they will bave to face.

Yesterday food manufacturers were still digesting the implications of the package agreed in Brussels. Without precise details, they found it difficult to predict the impact on individual food prices. The feeling seemed to be, bowever, that the biggest price increases on manufactured foods would hit the shops in the early summer as processors raised their prices to reflect both the devaluation on the Green Pound and the increase in common EEC prices agreed yesterday.

The prodncts affected by the new agreement will not only be those made from materials produced within the EEC. Because the tariffs on some products imported into the Community will be raised in line with the increase in EEC farm prices, tha prices of foods containing, say, tomato purée from Morocco or rice from the U.S., are also likely to increase.

The Consumers' Association, which pnblishes *Which?*, described the deal as offering "sbort-term gains with long-term losses," and claimed that it ignored the fundamental problem of the ever-growing mountains of food in the community.

The Association acknowledged that Mr. Silkin's butter subsidy was a "plus for consumers in the short run" bnt pointed out that it was due to be phased out and that in any case this short-term benefit would be eroded by the effect of other prices stemming from the agreement.

According to the Association's figures, butter would go up by another 7½p by the end of the year in spite of the subsidy, once the transitional steps had been completed. On the same basis, which assumed that the average increase of 3.5 per cent. agreed for all products would be evenly spread across the board, cheese would go up by 8p by January, sugar by 1½p a kilo, flour by 3p a 3-pound bag and a large loaf by 1½p.

These forecasts may not be exact — more should be known about the precise impact on shop prices to-day — but they do demonstrate the British Government's dilemma. Just as its negotiations with the unions look like reaching their most delicate stage, the first effect of these price increases will start appearing in the shops. (The first step of the transition arrangements on wheat and cheese are due to be paid to the producers in May).

Moreover, the Government does not appear to have any room for blunting the effect of these increases by further subsidies. As it is, it is committed to wind down spending on food subsidies from £400m. in the last financial year to £40m. this year. This means that the present, very costly, subsidy of a penny a pint of milk is almost bound to disappear while the 3p on cheese and 1p on bread and flour respectively will certainly have to be reduced drastically. In this situation, Mr. Silkin's 8p butter subsidy is hardly likely to be much of a comfort to consumers who have already cut their butter purchases by over 16 per cent. since last year and who only next month take another increase in margarine prices.

MEN AND MATTERS

Sartorial trends

Hardy Amies is not only a highly successful clothes designer he is also the archetypal export-model-Englishman, elegant and witty, in a tongue in cheek sort of way. Just the man therefore to make the keynote speech at a lunch yesterday given by the International Association of Clothing Designers, the men and women who design the sort of clothes bought in high street multiples the world over.

This year apparently the trend in the U.S. and elsewbere is towards the "British look." I asked Amies whatever that was and he replied "last year's suit and a check waistcoat with brass bnttons and lots of leather patches." The challenge he convded was to place the leather patches in outrageons places but still get round the obscenity laws.

Gossip around hte table also bad it that next year was going to see a move back to narrower lapels for men.

What is the relationship between top fashion designers and the men who translate their ideas into a hot selling, high street line I asked Hepworth's chief designer, Jack Goodall, who has worked closely with Amies for the last nine years. "We pick what we want from tha designer'a collection and then work out how we can trim the depth of tha pockets, or the flaps or whatever to fit the capacity of tha machines we use. It's a relationship between the artist and the engineer." More flamboyantly Amies described himself as a shop designer, and his customers as sweat shop designer.

Apart from the expected complaints against dumping from Asia and Eastern Europe the British end of the mass tailoring industry seems confident and is actively pursuing export markets in the U.S. and Germany, in particular as well as Japan wbere it appears the word for suit is a Sabi Row, no less.

....and design

Talking of sartorial elegance Industry Minister Gerald Kaufman was wearing what looked like a carpet for a tie when he opened tha "Enterprise and Innovation" exhibition which the Design Centre bas put on to celebrate its 21st anniversary yesterday. Its complicaetd pattern of multi-coloured rings contrasted oddly with bis emphasis on making prodncts not only more attractive visnally but also simpler and more efficient.

Nevertheless the way in which he underlined tha value of good design and innovation as a vital part of the Government's industrial strategy was predictably well received. He also neatly fielded the Council chairman Lord Caldecote's plea for donble tax relief on design investment by remarking that althongh his department was receptive to such special pleading, Denis Healey was not the easiest man to get to accept advice on snch matetrs.

Bye-Bye Buffet

Until about ten years ago Letchworth Garden City was a "dry town." Its only "pub" stopped briefly at the station every two hours and then moved off at a smart pace to London. It was the bar on the Cambridge Buffet Express train.

But the buffet train will shortly be no more, swept away by a new electric train service. The question of the Cambridge Buffet was one of the few bones of contention raised yesterday as BR unveiled its plan for improved services on its Eastern Region. There will be more and faster trains, and after 1979, the High Speed Train (HST) will cut the journey time from London to Edinburgh to a mere 4½ hours.

"If you have a lot of houses, by the law of averages you must expect a lot of burglaries."

Geoffrey Myers, the Eastern Region general manager, said it was hoped the HST services would increase passenger carryings in tha next three years by 30 per cent. and so restore them to the peak figures of 1973 and 1974. Suburban area carryings, it is hoped, will jump 50 per cent.

Not all lines will have the flashy HST trains (investment cuts reduce the number being built), but "Cinderella" services, like the slow cross-country link between Norwich and Birmingham will be upgraded. And for the first time they will have catering facilities—galling for those customers from Letchworth.

Rich man, Poor man,

As Britain struggles to find room in its pay policy to allow soma leeway for incentive and reward, the top men at America's ABC-TV are smiling. ABC, onca a poor third in the U.S. television ratings war, bas recently stormed to No. 1, pushing aside CBS and NBC en route. The network is now fat with profits from such shows as Charlie'a Angels and Rich Man, Poor Man and it has not been unusual for ABC to have 16 shows in the top twenty. On May 17 the company has its annual meeting when grateful shareholders will doubtless raise their glasses to the executives who did it.

But the men concerned are getting rather more than grateful thanks. Chairman Leonard Goldenson has collected a basic salary of $233,077 and a further $440,000 in "additional compensation under Key Employees Incentive Compensation Plan." He was also allowed to buy stock worth 787,000 for $475,000 and was given 5,000 shares (they were up to $46 a share last week) as a further incentive. Other senior staff were given cash ranging from $16,000 to $385,000, plus shares and cut price stock purchase opportunities. A $119,000 a year vice-president who departed was banded $231,000 as a farewell present.

There was no mention of any staff being given an Access card.

Observer

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With a minority of two in the Commons, loss of either of tomorrow's by-elections would make Labour uncomfortably vulnerable, and strengthen the position of the Liberals in Parliament in their arrangement to support the Government.

Tories are favourites to win in Grimsby

Candidates at Grimsby: Mr. Robert Blair (left) for the Conservatives, and Mr. Austin Mitchell for Labour.

THE CONSERVATIVES need half the Stechford swing to win the Grimsby by-election, but probably double the effort of their Birmingham campaign to get it. Britain's foremost fishing port has been a Labour seat since 1945; and party loyalty does not appear so depressed by rising prices that it will be eroded heavily or easily.

But Grimsby is not as isolated as it might seem from the political currents in the rest of the country. The Conservatives must still be favourites to take it. Certainly, no party resource is being spared in the attempt.

Posters outside a local cinema this week advertised the exotic arrival of "Blue Belle" — and Mrs. Margaret Thatcher entered the scene on cue. Wide-eyed at dawn in the docks, the Tory leader peered distantly at the fish and smiled closely at the cameras, was kissed on the quay, squeezed in the shopping centre, and departed breathless but confident. She had been preceded by Mr. Edward Heath, who took more cheers, and was followed by Mr. William Whitelaw.

In Mr. Robbie Blair, the Conservatives have chosen a candidate admirably equipped to represent the town's premier industry. Short, dapper, cheerful and shrewd, Mr. Blair began work on the fish quay of his native Aberdeen and drifted to Grimsby 30 years ago. He is well known and liked in the port.

Mr. Blair is strong on symbols and succinct slogans; producing baskets of shopping to illustrate "the housewife's nightmare'

It is a graphic performance which his opponents dismiss as gimmickry. But it challenges television journalist, Mr. Austin Mitchell, tha Labour candidate, on his own ground. Mr. Mitchell defends the seat without being noticeably defensive. He knows the majority of just under 7,000 is vulnerable and hopes for no more than a close victory at best. The Labour organisation is energetic and canvass returns are said to be better than in last year's local elections, when the Tories gained control of Grimsby Council.

Presenter of a Yorkshire TV current-affairs programme, his face was already familiar in Grimsby's Victorian terraces. Eagerly and warmly, the voters compare his actuality with the 625 line image—"Ooh, I think he's nicer, don't you? . . . Not so tall as I'd imagined." Mr. Mitchell, a former lecturer in politics, accepts the personality cult with cheerful patience, but soon switches to more serious channels.

An experienced interviewer, he knows what questions to ask about Conservative policy that will not be answered. He has a neat line in debunking Mrs. Thatcher's pretention to popularity. "She is clearly egalitarian in her willingness to talk down to anybody."

No one mentions the Lib-Lab agreement in Grimsby, except Conservatives and reporters. Mr. Mitchell blesses it anyway, and hopes that the Liberal candidate, Mr. Andrew De Freitas, keeps the 21 per cent. of the vote which the party won in 1974. There has been a solid radical Liberal base and, if it should collapse, Labour would certainly suffer.

The Liberals are located above "Pete's Shop—Cut Price Cosmetics." But Mr. De Freitas sees no jokes in this campaign. A native of Guyana, he is employed in the shipping industry and has lived in Grimsby for 15 years. For half that time he has been a local Councillor, earning a good reputation among the people he represents.

Mr. Mike Stanton, of the Socialist Workers' Party, employs a direct evangelical line. "Smash tha social contract," he asserts. "Join the fight back to real socialism."

Mr. Max Nottingham, an unemployed clerk from Lincoln, has entered the contest because he believes in starting at the top. He may try for a County Council seat next. He stands for the Malcolm Muggeridge Fan Club, despite the fact that he gets no support, or even a reply to his letters, from the man himself. The issues for which he campaigns are fewer store-detectives, compulsory car seat-belts, and a ban on cigarette advertising.

Simplicity is not the strong point of Mr. Peter Bishop, the Sunshine Party candidate, who, between election addresses, is writing a memorandum on the "Economic Capabilities of Productive Artefacts Represented as Economic Vectors." A scientist, he blames the national malaise on metrication.

Philip Rawstorne

General election, October 1974: C. A. R. Crosland (Labour) 21,657; K. C. Brown (Cons) 14,675; D. M. Rigby (Liberal) 9,487; J. McElrea (Independent Democratic Labour) 166; Labour majority, 6,982.

Ashfield: Labour should hang on

Mr. Michael Cowan (top), the Labour candidate at Ashfield, and Mr. Timothy Smith (bottom), the Tory contender.

LATE TO-MORROW night Labour should savour the rare pleasure of actually winning a by-election. Such of course is the present general dislike of the Government that nothing should be counted certain, but on any rational calculation, the seat of Ashfield in the Nottingham coalfield should remain outside the grasp of the Conservatives.

The Labour candidate Mr. Michael Cowan naturally resents the standard Press description of his likely seat as one the safest in the country. There are several not far away impervious to even the 20.6 per cent. swing needed for Ashfield to change hands. A glance, too at the arithmetic of Stechford, which the Conservatives captured with a 17.7 per cent. swing, is not altogether comforting: if as in Roy Jenkin's old seat the Labour vote fell by half, and that of the Tories climbed a quarter, tha 22,915 majority bequeathed by the Brussels escapee Mr. David Marquand would shrink to less than 2,000. At that point, a local Conservative worker put it, "things become conjectural."

Politics, happily, is however an art and not a science, and there is reason to suppose that Ashfield's will be a slightly different pattern. It is an area where allegiances do not lightly change, and where voting shifts have been less in recent general elections than the national average. The conventional wisdom is that abstentions and some straight switching will cut Labour's lead to around 5,000 — hardly a triumph but victory nonetheless.

The overriding issue—as in every other recent by-election—is pay and prices, in other words the relentless squeeze on living standards that is as acutely felt at Ashfield as anywhere. The problem has a special piquancy in a miners' constituency: it was their pay claim in February 1974 that toppled Mr. Heath, and their attitude now that may well determine the fate of Phase Three of pay restraint that will in turn determine that of the Government. Curiously one of the strongest cards the Conservatives hold in Ashfield—apart from the rising inflation rate—is the suspicion that Mrs. Thatcher in Downing Street would be softer on wages than Messrs. Callaghan and Healey.

Tradition

Mr. Cowan himself though is the only one of the five candidates not directly involved with the industry. Once a teacher and lecturer, and now chairman of the Nottingham County Council Finance Committee he would continue the strange Ashfield tradition of *not* returning an NUM-sponsored MP. If he has suffered from the dithering over Mr. Marquand's departure, he is not showing it. Clever and sharp-tongued, he describes himself as "Leftish on policy, but right-wing on management."

Tha links of the Tory, 29-year-old Mr. Tim Smith, are hardly stronger. Despite a distinctly un-Ashfield education at Harrow and Oxford, he nonetheless has bought a house in Sutton-in-Ashfield and points out that the firm of which he is company secretary provides lifting equipment locally to the NCB. On the stump, he stresses three main points, prices, tax, and social security scroungers—this last not to be discounted in an area with unemployment below tha national average.

The Liberal, Mr. Hampton Flint, is a miner's son, and an eccentric exponent of third-force politics who has been campaigning since January when Mr. Marquand's leaving was first mooted. But for all his local credentials, Mr. Flint seems certain to share the recent Liberal eclipse, and tha party's Westminster deal with Labour has clearly done him no good. To make matters worse, the National Front is running a candidate for the first time in Ashfield.

Of the two planks of the NF man, Mr. George Herrod, immigration wins the headlines, but, one suspects, his hostility to the EEC wins many of his votes. Labour and Conservative candidates alike have been trimming hard on both issues, now urging still tougher negotiating positions in Brussels.

Less of a fringe threat is Mrs. Jill Hall, of the Socialist Workers who argues that Labour in power has betrayed the working classes. Her target is only 150 votes to-morrow, and those are unlikely to decide the outcome.

Rupert Cornwell

General election, October 1974: D. I. Marquand (Labour) 35,367; R. N. Kemm (Conservative) 12,452; H. Flint (Liberal) 7,959; Labour majority 22,915.

Letters to the Editor

Incomes policy based on added value

From Dr. F. E. Jones, President, Engineering Industries Association, and Mr. J. Curry.

Sir,—It seems generally agreed that an incomes policy is an essential part of any economic policy which is linked to the control of inflation. It is obvious, however, that there is a considerable dilemma for both the Government and the TUC in moving from the present rigid pay restraint to a more flexible policy. A solution might be for them to consider an incomes policy based on added value since added value per employee and added value per £ of assets employed provide a true measure of efficiency in industry.

A study of Government statistics covering U.K. manufacturing industry over the past 20 years shows that the gross wage/salary content of the added value has gone up steadily from less than 60 per cent. in the 1960s to 72 per cent. in 1973, 80 per cent. in 1974 and 82 per cent. in 1975. The main element in these increases has been the demand from Government for increases in taxation and other charges and this is most clearly shown in that whereas the total demand from the Government from both employees and employers took 25 per cent. of the added value in 1960 this figure had risen to 35 per cent. in 1975. In practical terms, this means that in some companies, for example, ICI and Marks and Spencer, the cash flow to the Government per employee in this country is well over £3,000 and is more than the take-home pay of the employee. It means too, that the amount of added value available to industry to satisfy tha demands of investors and financiers for a return on their capital and to meet the requirements for innovation, expansion and depreciation has fallen from 35 per cent. in 1960 to 13 per cent. in 1975.

It is now painfully obvious to everyone that this figure of 13 per cent. is too low to attract the necessary finance or to keep industry sufficiently up to date to enable us to compete successfully with the Japanese and the Germans. In these countries the industrial pattern is approximately that tha employee wage/salary costs, net of all taxation, absorb 40 per cent. of the added value, total taxation takes 20 per cent., investors and financiers have 20 per cent. and 20 per cent. remains with management to keep their activities competitive and generally to make industry an attractive place in which to work.

In order to highlight the necessity to retain adequate added value for reinvestment and to break away from the present Government controlled rigid wage policy, which is causing untold friction with differentials, maldistribution of labour and general dissatisfaction with both employees and employers, we suggest that a logical and constructive policy would run along the following lines:

In any organisation where the total employee benefits are below 65 per cent. of the added value free collective bargaining should be allowed. Companies in this category make big contributions to the financial economy of the country and include ICI, Unilever, Marks and Spencer and Racal Electronics.

In companies where the total employee benefits lie between 65 and 75 per cent. of the added value there should be a fixed increase of, say 4 or 6 per cent. in wages plus a bonus scheme linked to any increase per employee in added value. Firms coming into this category would include GEC, Pilkington and United Biscuits for example.

In cases where employee benefits lie between 75 and 100 per cent. of added value increases should be carefully controlled and might be in the range 4 to 6 per cent. of present wages. Most U.K. activities come into this bracket and they are invariably linked to zero or negative growth after allowing for inflation.

In some organisations, the employees take out more in wage/salary costs than the value of the work they do, that is the gross wage/salary bill is more than 100 per cent. of the added value. Such organisations can normally only exist in the public sector for they would become bankrupt apart from subsidies from the taxpayer. In these organisations the total wage/salary costs must be frozen either by a wage freeze or a reduction in the labour force. Examples from the most recently published reports include British Steel, British Leyland, British Rail, and the National Coal Board.

Many companies now publish added value statements. The added value content of a company is simply the sum of the wage/salary bill inclusive of social service and pension charges, interest on borrowed capital, rent of premises and costs of hire of equipment, local rates, corporation tax, net profit after tax and provisions for depreciation. These items must be calculated only for the employees in the U.K. and exclude any overseas employees for it is only the added value generated here that is available for distribution in the U.K.

F. E. Jones.
Equitable House, Lyon Road, Harrow, Middlesex.
J. A. H. Curry.
New Place, The Ridges, Finchampstead, Berks.

Civil Service recruitment

From The Secretary, Civil Service National Whitley Council, Staff Side

Sir,—I am sorry that Michael Dixon (Jobs Column, April 21) should be so mystified by the attitude of the civil service unions to later age recruits to the administrative and executive areas of the civil service. The reason for this is quite simple. We adhere firmly to the principle of a career civil service and this requires entry pretty well immediately after the completion of a formal education. As the Fulton Committee confirmed in 1968, the concept of a career civil service provides the country with an experienced and stable civil service, composed mainly of people who will devote their entire career to it.

Once people are in the civil service for a lifetime's career, understandably they resent later age entrants who will prejudice their own career prospects, so we are generally opposed to later age entry schemes. Having said that, however, it should be recognised that over half tha people in the areas we are talking about have been promoted from the clerical grades, where there is no upper age limit upon recruitment. So it is possible for a late age recruit to come in, and make his way up the ladder if he so desires.

Finally, two further minor points. We agree wholeheartedly with Michael Dixon's comments about paying relocation expenses to new entrants. We have been pressing for this for years, and will continue to do so. We also agree about the meanness of the Civil Service Commission in saving candle ends by not acknowledging applications from the public. What a terrible impression this must give to the potential recruit.

P. D. Jones.
Civil Service National Whitley Council, Staff Side.
19, Rochester Row, S.W.1.

Wasted water

From the General Manager, Carter Cooling Towers.

Sir,—The National Water Council has now published its final verdict on the drought (Tha 1975-76 Drought, NWC), with the comment that "The (water) industry coped with its extraordinary task very well, but there is always something to be learned." The report concentrates on public un-metered supplies and practically ignores water for industrial use, now being sold at about 60p per 1,000 gallons.

Yes—there is something to be learned. The Council should have learned that industry is getting tired of constant cost increases for the same water service and is highly critical of the attitude of the authorities in not wanting to know what happens to water once it has passed the meter and been paid for. The conclusions should have advised training its own engineers to understand the needs of industry and to give practical advice on water economy.

There are still vast quantities of water used for industrial cooling, quenching and applications where nearly all this water can be used over and over again. Many companies are using and throwing away four star drinking water for purposes needing only two star effluent. This is where intelligent help is wanted and where the water authorities could be seen to be taking an honest attitude to the use of their precious—and expensive—product.

A more active and enlightened approach to industrial users would save the country's resources, save face for the water industry and save money for the manufacturer.

P. E. Millington,
Carter Industrial Products,
Redhill Road, Birmingham.

Valuing works of art

From Mr. T. Crombie.

Sir,—Mr. Hugh Leggatt (April 21) is absolutely right. As a professional valuer of pictures, I can confirm that capital gains tax values that have to be calculated on a norm at April 6, 1965, are now becoming increasingly "notional" and even absurd.

On the straight-line time-apportionment system at present conceded (if opted for) by the Inland Revenue, chargeable gains on chattels can be averaged over a period commencing not more than 20 years prior to April 6, 1965, the proportion borne to the whole, of the period after that date, attracting the tax. As Mr. Leggatt suggests, a graduated system based on the number of years a chattel has been held (but without reference to an arbitrary and obsolete "D-Day") would be infinitely more practical than the present one.

Theodore Crombie.
133, Old Church Street, S.W.3.

Compulsory seat belts

From Mr. G. Hockley.

Sir,—While not disagreeing with Joe Rogaly (Lombard April 22) that reduced speed limits have saved lives this is surely hitting a secondary target. The evidence that the wearing of seat-belts has a substantial effect in reducing the number of deaths and the seriousness of injuries is now firmly established.

The Government no longer has the excuse that its timetable is too full to introduce a Bill for the compulsory wearing of belts: why the continued delay?

G. C. Hockley.
University College, P.O. Box 78, Cardiff.

Limits on speed

From Mr. L. Gordon.

Sir,—Regular readers have to put up with Joe Rogaly's obsession about speed limits, but his arguments (April 22) get no better. We already have some of the slowest road traffic in Europe. The Germans ran a carefully controlled experiment with speed limits on some stretches of autobahns while other comparable sections remained free. Conclusion: speed limits do not save lives, and the fuel savings was estimated at only 0.6 per cent.

As for the American 55 mph limit being "strictly enforced," an American acquaintance told me he recently *averaged* over 90 mph for the long trip from Chicago to Los Angeles. He passed through 27 radar traps, but American drivers' counter measures are highly developed. Mr. Rogaly quotes government estimates that speed limits accounted for a third of the 3 per cent. drop in motor fual consumption. With petrol fast approaching £1 a gallon, the influence of speed limits is dwindling further compared with that of price. As car fuel is only 19.5 per cent. of our total petroleum consumption, Mr. Rogaly is proposing a new system of police traps, fines and licence suspension to save well under 0.2 per cent. of the total.

L. W. Gordon.
Idsall House, Prestbury, Cheltenham.

Back to the red flag

From the Managing Director, House Information Services.

Sir,—Joe Rogaly is very half-hearted in his argument for low speed limits (Lombard, April 22). Why allow even 55 mph? Still more lives would be saved if we marched boldly forward to 1865 when the speed limit was 4 mph. Put a man in front with the old red flag again and we can solve tha unemployment problem too.

Alexander Barrie,
1, Cresswell Park, Blackheath, S.E.3.

To-day's Events

Labour Party national executive committee meets.

Meeting of TUC general council.

Lord Watkinson, CBI president, at Parliamentary Press Gallery luncheon, House of Commons.

London Chamber of Commerce taxation committee meets Parliamentary Labour Party financial committee, 66, Cannon Street, E.C.4.

Mass meeting of British Airways' striking engineers and maintenance men.

TASS, the staff section of Amalgamated Union of Engineering workers, presents report to Mr. Leslie Huckfield, Minister for Industry, seeking examination of British tool industry.

Joint IMF-World Bank panel on transfer of resources from richer to poorer nations meets in Washington.

Formal talks open on future of Namibia (South-West Africa) between South African Government and delegations from the five Western members of the UN Security Council, Cape Town.

PARLIAMENTARY BUSINESS

House of Commons: Price Commission Bill, second reading. Motion of EEC documents on direct life assurance.

House of Lords: Agriculture debate.

Select Committee: Nationalised Industries sub-committee B. Subject: British Steel Corporation. Witness: Mr. Eric Varley, Secretary for Industry. (10.45 a.m. Room 8).

COMPANY RESULTS

Clarke Chapman (full year). Foseco Minsep (full year). Spillers (full year). Tarmac (full year). Telephone Rentals (full year).

COMPANY MEETINGS

Anglia Television, Norwich, 2.30. BCA Group, Portland House, Stag Place, S.W., 12. Burmah Mining, Winchester House, E.C., 12.30. Equity and Law Life Assurance, 20, Lincoln's Inn Fields, W.C., 12.15. L. Gardner, Manchester, 2.30. Garton Cooper, Birmingham, 12. International Investment Trust, 77, London Wall, E.C., 12.30. Robert Kitchen Taylor, 16-17, Berners Street, W., 12. RKT Textiles, 16-17, Berners Street, W., 11.30. Ratcliffs (Great Bridge), Birmingham, 3. Sale Tilney, 28, Queen Anne's Gate, S.W., 12.30.

COMPANY NEWS + COMMENT

Fairbairn Lawson tops forecast with £1m.

A BETTER thao expected second half bas taken profits of Fairbairn Lawson, the engineering packaging eod office furniture group. above the forecast of not less than £900,000 mede et the time of the rights issue last September.

At a record £1.07m. the group pre-tax profit for 1976 represents an increase of 160 per cent. on the previous year. The result was achieved on a 26 per cent. rise in sales to £12.74m., of which 55 per cent. (£7.04m.) were exports.

To mark a "memorable year in the company's history." Sir John Lawson, chairman, announces a proposed one-for-four acrip issue to bolders registered May 20.
registered on May 20.

At tha attributable level the year's profit emerges ahead from £286,385 to £584,434. Earnings an tbe welghted average number of shares ln issue during the year were up from 5.37p to 9.56p. The directors point oul that the tax charge on e normal basis would be £533,401 (£213,000), and the earnings per share reflect the benefit of 1.19p (1.75) credit of prior year.

As forecast, the total dividend is atepped up by 45 per cent.—from 1.7875p to 2.6p net, with a second interim of 1.6p on the capital Increased by the rights issue. If the basic rate of income-tax is reduced to 33 per cent., a supplementary dividend for 1976 of 0.049p per share will be paid next October with the interim for 1977.

In his annual review lssued with the figures Sir John reveals that the group is actively seeking acquisitions both in the U.K. and overaeas. "We have a strong imaginative awareness of our growth requirements," he declares.

The group's liquidity position is satisfactory and it is intended that orogress will continue in the current year.

Sir John says that the balance sheet has been strengthened. Ordinary shareholders funds rose during the year from £3,139,053 to £4,179,564, equivalent to 53.7p per ahare. Tha group generated a cash inflow of £1,196,323 thereby reducing the bank overdraft from £2,029,256 to £880,506. Tha issue of shares lo Clabir Europe and the net proceeds of the rights issue accounted for £650,596, tha balance of £545,727 resulting from trading.

Despite the 26 per cent. Increase ln turnover, stocks were reduced by 6.3 per cent., while debtors increased by 12.3 per cent. Capital expenditure totalled £393,951, which compares with a depreciation charge of £226,484.

On the subject of inflation accounting the chairman says he remains "unconvinced of the need for change in accounting procedures ln the form proposed by Morpeth, which is costly . . . and potentially confusing."

● comment

Half of tbe £663,000 improvement in Fairbalrn Lawson's pre-tax profits came from the turnround out of losses on the office furniture side but, paradoxically, the results emphasise the change in the company to a predominantly engineering concern. Of the £1.7m. trading profits, engineering accounted for £1.3m., packaging for only £300,000. Tbe new emphasis haa obviously been beneficial. Assets are now sald to be around 50p per share, exports account for 50 per cent. of profits and there is a casb flow of nearly £800,000. Further growth, however, despite planned expansion in both engineering and packaging, will probably only come through acquisitions, and it is debetable whether the company has not left it too late and been too choosy abont its prospective partners. In the meantime, the shares at 46p show a ceutious p/e of 4.6 and a yield of 9 per cent.

HIGHLIGHTS

Brooke Bond proposes to raise £19.8m. by way of rights issue on the hasia of one-for-four at 40p while on the tradiog front tea prices have inflated profits and working capital requirements. **Profits at Sears** are slightly lower with the footwear and stores activities offsetting some £9½m. losses in America. **Lex** also discusses the decisiou not to give Shell dividend freedom. Elsewhere, **John Haggas** picked up momeotum in the third quarter, thanks to the spinning division, while it looks as if it is unlikely thet there will he any early peyout of the company's £7.3m. holding in gilts. Buoyant trading iu the motor companiea has left profits at **Tozer Kemsley** some 56 per cent. higher, while **Hopkinsons** has maintained the strong pace aeen at the half-way stage. **Fairbairn Lawson** has comfortably exceeded its mid-term projection and the company remains acquisition-minded. **Silentnight** is another to have topped expectations and this time profits are over 50 per cent. higher. Strong recoyery has heen seen at **Stylo Shoes** helped by a sale and leaseback operatiou and a strong performance at Barratt Shoes.

Best ever from Stylo Shoes

SALES OF Stylo Shoes rose from £14.7m. to £18.32m. during the 52 weeks to January 29, 1977, and pre-tax profit was a record £1.04m., compared with a' loss of £0.3m. At halfway the deficit was cut from £0.39m. to £0.17m.

Treasury permission has been obtained for a dividend payment of 1.54p net, against 0.7p.

Year-end profit is struck after £0.34m. (£0.06m.) surplus on sale of properties and closure costs of a U.S. subsidiary amounting to nil (£0.11m.). Tax takes £0.41m. (£0.17m. credit) and minorities £8,000 (£7,000).

There was a prior year adjustment on the adoptiou of SSAP 3 of £128,000 (£114,000) and reserves carried forward amount to £1.71m. (£1.23m.).

● comment

Pre-tax profits of Stylo Shoes were enhanced by e sale and leaseback on one property which accounted for the bulk of the £341,000 from property sales. Nevertheless, the trading picture was one of full recovery to 1975 levels. The growth came almost exclusively from Barratt Shoes, apparently as the result of the impact of new management on buying policies. The sporting goods side (though it benefited in comparison with 1975, which was held back by heavy U.S. losses) showed no real trading Improvement. The bulk of profits were won in the second half desplte the burden of the £6 wage agreement end higher interest charges, which ended the year 16 per cent. up. These factors only serve to emphasise how critical it ia for retailers to match their buying to fasbiou trends. Once volume rises above a certain level even fairly steep increases in costs can be comfortably absorbed. The shares rose 1½p yesterday to 31p where the fully-restored dividend yields 8 per cent.

Hopkinsons near £2m. expansion

INCLUDING e satisfactory contribution by Blakeborough and Sons, compared with a loss, taxable profit of Hopkinsons Holdings was a record £4.36m. for the year to January 28, 1977, egainst a restated £2.41m. to allow for the change in accounting policy.

Staled earnings per 50p share are 18.48p (13.42p) and a net final dividend of 3.30562p which absorbs £0.37m. steps up the total from 4.11875p to 4.53062p.

	1976-77 £000	1975-76 £000
Turnover	32,989	26,579
Trading profit	4.749	2,888
Investment income, etc.	53	32
Bank interest, etc.	439	515
Profit before tax	4,363	2,405
Taxation	2,276	885
Net profit	2,087	1,520

● comment

After a rise of 135 per cent. ln the first half, profits of Hopkinsons Holdings rose by 52 per cent. in the second half, leaving the overall gain et 81 per cent. Now that the company has broken into new ground, further profits growtb seems possible, based on steady growth in the control equipment sector of the engineering Industry and avoidance of fixed-price coutracts. Tha turnover rise of 24 per cent. reflects solid price rises es well as some volume increase, largely based ou exports that accounted for 30 per cent. of total sales, but ls still short of the target of 40 per cent. With the improved trading background, Blakeborough was eble to produce profits and there waa a turnround of about £700,000. At 81p, the shares yield 9.0 per ceut., covered four times.

£5.24m. record for Newarthill

AFTER A midway advance from £602,000 to £819,000, Newarthill achieved record profits for the year ended October 31, 1976 of £5.24m., compared with £1.54m.

Earnings per £1 share more than doubled to 13.2p (6.2p) and tbe dividend is stepped up to 4.4p (4p) uet.

Net profit came out at £2.36m. (£1.22m.) after tax of £2.88m. (£0.61m.).

ISSUE NEWS AND COMMENT

Brooke Bond to raise £19.8m.

Brooke Bond Liebig is ralsing £19.8m. hy a rights issue and is forecasting pretax profits for the year endiog June, 1977 of at least £48m. compared with £24.6m. in the previons financial year.

The principal reason for the issue—on a one-for-four basis at 40p—is the sbarp rise that bas taken place in the price of tea. Brooke Bond explains that since it last raised money from shareholders in December, 1975, the average price of tea in the London auctions haa jumped from 63.1p per kilo to 241.71p per kilo, a gain of 283 per cent. Another, less important factor has been the rise in the price of coffee which Brooke Bond calculates to bave been 294 per cent.

The value of Brooke Bond's stocks in these commodities has risen by around £40m., of which £21m. relates to the U.K. Gross horrowings of the group et April 1, 1977, amounted to £128.5m., compared with around £84m. in the last end-June balance sheet.

The gronp also tells shareholders that the issue, underwritten by merchant bankers Morgan Grenfell, "will broaden the gronp's financial base, providing a stronger foundation for raising additional borrowings needed to finance any further increase in working capital." It will also help the group with its expansion and acquisition programme.

The US $18.8m. (£10.9m.) proceeds of the recent sale of five subsidiaries in Argentina will be used for overseas expansion.

Accompanying the profits prediction is a forecast that the final dividend for the year will be 1.96570p per share on the increased capital. Together with the interim already paid this would make a gross dividend on the existing capital of 4.18761p per share, an increase of 10 per cent. over the prevlous year.

An EGM has been called for May 13 et which it will be proposed to raise the authorised capital in order to accommodate the issue.

The Brooke Bond share price eased 1p yesterday to close at 49p.

See Lex

HEPWORTH CERAMIC

The document from Hepworth Ceramic Holdings relating to its rights issue of 25m. shares at 47p each reveals that on March 31, 1977, the company had outstanding loan capital of £29.34m. Also on the same date there were bank overdrafts and similar Indebtedness amounting to £847,000.

Dealings in the nil paid new shares commence to-day.

Water debenture

Rickmansworth and Uxbridge Valley Water Company is raising £2½m. by the issue of 13 per cent. Redeemable Debenture Stock 1984 at £99 per cent., where the redemption yield is equal to 13.1 per cent. The issue is payahle as to £25 per cent. on May 2 with the balance of £74 due on June 3.

Interest on the stock is payable half-yearly on April 1 and October 1 each year, with the first payment of £4.52 per cent. (less tax) due next October. The stock is to be redeemed at par on July 1, 1984.

Proceeds of the issue will be used to redeem £1m. of 7 per cent. Redeemable Preference Stock 1977 on Juna 30, and to provida funds for furthar capital expenditure on modernising and extending the company's works and mains.

Brokers to the issue are Seymour Pierce and Company. Dealings start on Friday.

● comment

Judging the Rickmansworth issue is belped by taking a line through tha Mid-Sussex 12¾ per cent., 1985 stock issued last month. Mid-Sussex is standing in the market at over a point premium on the issue price, and early estimates are looking for Rickmansworth to produce e small premium, say £¾ to £1, when dealings start. The redemption yield of 13.1 per cent. ou the issue price compares favourably with other corporate debentures and similar dated gilts are yielding 10¾ per cent. The first tranche of stock was placed in the market without difficulty and even though gilts went a ahada softer yesterday the medium-term debenture market stayed firm, and Rickmansworth should get off to e comfortable start.

Yearlings fall to 9⅝%

After rising for two weeks running the conpou rate on the yearling bonds this week came back down to a new low for the year at 9⅝ per cent. The bonds are issued at par and due on May 3, 1978.

The issues are:—London Borough of Bromley (£1m.), Corporation of Loudon (£1m.), Copeland Borough Council (£½m.), Londou Borough of Ealing (£1½m.), London Borough of Bromley (£1m.), Wigtown District Council (£½m.), Lochaber District Council (£½m.), West Somerset District Council (£½m.), Roxburgh District Council (£½m.), Mendip District Council (£½m.), East Staffordsbire District Council (£½m.), Waveoey District Council (£½m.), Loudon Borough of Islington (£1m.), Fareham Borough Council (£½m.), Three Rivers District Council (£½m.), Orkney Islands Council (£½m.), West Oxfordsbire District Council (£½m.), North Wiltshire District Council (£½m.), Central Regional Council (£½m.), City of Glasgow District Council (£1m.), City of Nottingham (£½m.), London Borough of Croydon (£1m.), Northampton Borugb Council (£½m.), Chelmsford District Council (£½m.), Cambridgesbire County Council (£½m.), Epping Forest District Councll (£½m.), Cumbria County Council (£1½m.), Dudley Metropolitan Borough Council (£1m.).

The following euthorities have raised two year loans at par carrying a conpou of 10¾ per cent, and maturing ou April 25, 1979. The issues are:—City of Winchester (£½m.), Borough of Tamworth (£½m.), London Borough of Lambeth (£½m.), Rhymney Valley District Council (£½m.), Borough of Afan (£½m.), Warwick District Council (£½m.), Wetford Borough Council (£½m.).

The following authorities bave made three year issues with a coupon of 11¼ per cent., maturing ou April 23, 1980. The issues at par are:—Wellingborough District Council (£½m.), Chichester District Coancil (£½m.).

Silentnight turns in peak £2.8m.

BED AND upholstery group Silentnight Holdings finished the year to January 31, 1977 with record profits of £2.75m. This represents an advance of 52 per cent. on 1975-76 and follows the first half jump of 61 per cent. to £1.16m. Turnover expanded by 40 per cent. to £30.47m.

Earnings per 10p share went up from 7.5p to 15p. The dividend is raised from 3.3135p to 3.6449p net, with e final of 2.4890p.

Mr. T. Clarke, chairman, reports that the performance of the group's bed manufacturing companies has been outstanding, the upholstery division continues to prosper, and overseas manufacturing and distribution companies contributed record profits.

As regards 1977-78 two months management accounts indicate that profits should be ahead of last year's, but he finds it difficult to forecast the final results."

The group's balance sheet shows a strong cash-flow, with total funds employed increased from £8,180,430 to £9,163,367. Net current assets have increased from eround £1,350,000 to £1,900,000.

● comment

Silentnight's 52 per cent. rise in profits oo e sales increase of 40 per ceot. is better than could have been expected, even after the jump of nearly two-thirds at the interim stage, ond the abares closed 3p higher yesterday et 61p. In volume terms Silentnight reckons to be ahead by around a fifth, and price rises in January and August take care of the other 20 per cent. increase in turnover. Margins are up eround a tenth to 9 per cent. and the company must be increasing its market share. The question now is wbether Silentnight cen keep pushing ahead in the face of increased pressure on disposable incomes. Evidently the first two months are ahead of 1976, but it would be unwise to expect too much this year unless wages take off. Still a p/e of 3.9 and yield of 9.6 per cent. are discounting any pressures that may develop on spending this year and the shares could still show some relative strength against the rest of the furniture manufacturers.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year
Astbury and Madeley	0.69	June 14	0.63	1.04
Belgrave (Blackheath)	2.6	July 2	2.6	2.6
Bodycote	1.26	July 1	1.05*	2.43
Brook St. Bureau	3.03	—	3.03	4.2
Chepstow Racecourse	Nil	—	2.0	Nil
Davies & Newman 2nd int.	4.81	July 30	4.36	7.19
Ellis & Goldstein 2nd int.	0.91	June 9	0.8	1.71
Fairbairn Lawson 2nd int.	1.6†	—	0.98	2.6
F. C. Finance	1.5	—	1.5	1.5
Felixstowe Dock	Nil	—	4.17	0.01
Grampian TV	1.37	June 17	1.28	1.97
Hawker Marris	4.22	—	3.84	5.85
Hopkinsons	3.31	June 2	3.37	4.53
Jersey Elect.‡	7	May 24	7	11
Lighting and Leisure...int.	0.88	—	0.8*	—
M. Y. Dart ......2nd int.	0.64	June 28	0.62	—
Newarthill	4.4	June 13	4.0	4.4
Newman Granger ......int.	0.53	May 20	0.48*	—
J. and L. Randall	1.51	June 16	1.72§	1.51
Richards and Wallington	2.58	June 4	2.58	4.04
Sears	2.31	—	2.1	2.31
Siemssen Hunter	1.07	—	0.98	2.14
Silentnight	2.49	—	2.26	3.64
Spencer Gears ......int.	0.38	July 4	0.28	—
Stylo Shoes	1.54	—	0.7	1.54
TKM	1.79	June 23	1.68	2.44
Unochrome ......int.	0.35	July 1	0.2	—

Dividends shown pence per share net except where otherwise stated.

*Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. ‡Gross throughout. §For 1.. months.

J. Haggas hopeful of £3.3m.

PROFIT BEFORE tax of John Haggas improved from £1.81m. to £2.31m. during the nine months to March 31, 1977, and the directors are hopeful that the year-end result will reach £3.3m., which compares with the record £2.71m. in the previous 12 months.

A feature of the year to date has been the excellent performance of the spinning division which is currently negotiating substantial contracts with overseas governments, say the directors.

Current market conditions iu the U.K. are poor and reflect their worst fears. Thus, the areas of businesa which depend on the home market are struggling. Both direct and indirect export business remains encouraging, but conditions in Western Europe are not as buoyant as they were.

During the current year £0.75m. has been invested on equipment, substantially improving productivity and quality. However, the only addition to capacity is the new £1m. factory to produce fur fabrics. This is now operating on two shifts and will be at full capacity, on three shifts, by the end of May.

The spinning division continues to make "splendid progress." The substantial increase in profits to £1.83m. (£1.17m.) is mainly due to the higher margins on a much increased volume of export business. In addition, the division was helped by some fortunate raw material purchases, and by improved productivity following selective investment in specific areas.

The knitting side is having a difficult year, and fierce price competition persists. However, demand in the home market is expected to improve from July onwards and the directors are optimistic that this well equipped and efficient company will increase its profits.

Though profits in the fur fabric division are slightly lower at £0.25m. (£0.28m.) this is due to charging full depreciation on the new plant which has only just commenced production. There is therefore, no significance in the reduction, and in fact the underlying profit trend is strongly upwards, the directors add.

The net interim dividend, as known, is 1p (same)—the previous year's total was 3.02p.

	Nine months 1976-77 £000	1975-76 £000
Group sales	14,980	[illegible]
Spinning	8,485	[illegible]
Knitting	3,918	[illegible]
Fur fabric	2,617	[illegible]
Depreciation	515	[illegible]
Profit before taxation	2,310	[illegible]
Spinning	1,837	[illegible]
Knitting	223	[illegible]
Fur fabric	250	[illegible]

● comment

The third-quarter profits acceleration et John Haggas—up 36 per cent. after the rise of a quarter at the half-way stage—occurred solely in the Spinning division where profits rose by two-thirds helped by extra interest received and exports that uow account for half sales. With home demand still poor, the knitting side continued its profits drop of a third—and hopes of improvement rest with the seasonal trend leading into winter sales, and e pick-up in U.K. consumer spending in the summer. After holding its profits for the first six months, there was a fall of a third in the fur division's third quarter. But this was due solely to extra depreciation on new plant that has added 50 per cent. extra capacity which is still coming on stream. With enlarged capacity already presold (nearly a third overseas), the contribution should rise sharply next year. Overall, the forecast £3.3m. profits for the full year implies growth of only a tenth in the final quarter, but this is explained by extra holidays and a buoyant comparable period, rather than a real slowdown. At 335p the prospective p/e is 5.1, but the notional 1.5 per cent. yield could hold down the share price now that it seems less likely that Haggas will pay out its £7.3m. of gilts, worth about 300p a share.

Statement Page 25

Reckitt & Colman's strong financial position

DURING 1976 further attention was given by the directors of Reckitt and Colman to ensuring that operating units in all parts of the world possessed financial facilities which supported their current levels of trade and which provided for expansion. "The group is thus in e very strong financial position," they report.

Reflecting benefit from its wide international spread of trading the group achieved record sales of £484.25m. and operating profits of £51.43m. in 1976, representing increases of 31.1 per cent. and 48.2 per cent. respectively. These results have been achieved while at the same time maintaining a highly satisfactory cash flow.

Despite the increase in sales the level of borrowings was reduced while a heavy programme of capital investment was continued in the U.K. and elsewhere. During the year net borrowing was reduced by £1.26m. This was achieved after applying £10.35m. (including £2.2m. in shares) to the acquisition of businesses and £21.21m. to additions to fixed essets. This position followed the substantial rednction in net borrowings of £8.51m. in 1975.

At the year end short-term deposits showed e rise from £2.22m. to £6.27m., bank balances from £11.52m. to £13.31m., while loans and overdrafts increased from £11.56m. to £14.74m.

In the U.K. the gronp echieved domestic sales of £111.59m., an increase of 19.6 per cent. Althongh operating profit showed a good recovery, profit margin was still below the average for the group as e whole.

The household and toiletries division benefited from the reorganisation on which it has concentrated much effort over the past two years and reaped the benefits of lower fixed costs. Total sales were £31.58m. and this division is now set for expansion.

In his statement, the chairman, Mr. A. M. Mason, refers to plans for the expansion of the group's pharmaceutical interests. In the area of established prodncts, the pharmaceutical division performed ahead of expectations, with prescription medicines and analgesics producing particularly good results.

Reckitt and Colman exported £27.14m. of goods—an increase of 41.4 per cent. over 1975. Export sales produced e profit of £4.30m. This was a very satisfactory contribution to U.K. performenee and fully justified the priority that continued to be given to the U.K. export operation, say the directors.

At the year end capital expenditure contracted for amounted to £5.48m. (£6.62m.) and there was a further £6.6m. (£3.13m.) euthorised but uncontracted.

On the subject of inflation accounting the chairman says that he is "totally opposed to the complex proposals for its application in the Morpeth exposure draft."

The proposed dividend for 1976 is 9.50365p net compared with 8.6397p, with a final of 5.3352p.

The directors now say that as e result of the conditional reduction in the basic rate of income-tax, the recommendation on the final for 1976 to be proposed at the AGM will be slightly different from that ennounced. If the basic tax rate for 1977-78 is reduced to 33 per cent., a further 0.1641p will be paid on January 6, 1978.

At the close of the AGM Mr. Mason plans to retire from the chair. It is proposed that Mr. J. A. S. Clemson be his successor.

The meeting is at the Connaught Rooms, W.C., May 20 at 11 a.m.

Davies & Newman's peak £1.88m.

THE STEADY growth at Davies and Newman Holdings has continued apace, with 1976 turnover rising from £52.81m. to £79.4m. and pre-tax profit ahead from £1.36m. to a record £1.88m.

Turnover from shipping was steady et £1.02m. (£1.08m.) but aviation sales rose from £51.78m. to £78.38m. At the operating level, shipping profit dropped from £0.3m. to £0.15m. and the aviation surplus improved from £0.97m. to £1.58m.

The directors report that the level of activity prevailing in the markets served by the shipbroking company and the amount of business already concluded signify the likelihood of a satisfactory result for the current year.

	1976 £000	1975 £000
Turnover	79,404	52,806
Operating profits	1,730	1,269
Interest receivable, etc.	588	507
Interest payable	434	425
Share associates	2	5
Profit before tax	1,882	1,356
Taxation	1,032	710
Net profit	850	646
Minority int.	5	2
Attributable	845	644
Dividends	317	288
Retained to reserve	528	356
Retained	2,392	1,864

On the aviation side, the level of activity remains high and a busy summer season is forecast, and the outlook at this stage continues satisfactory, they add.

Stated earnings per 25p share for 1976 are 19.2p (14.8p). A second interim dividend of 4.8139p, making a total of 7.1929p (6.540105p), the maximum allowed. A one-for-ten scrip issue is proposed.

M.Y. Dart midway increase

MANUFACTURERS of sports equipment, packaging materials and pyrotechnics, M.Y. Dart echieved an increase in taxable profit to £716,000 for the 28 weeks to January 1, 1977, compared with £418,000 on turnover up from £4.64m. to £6.45m. Profit for 1975-76 was £1.18m.—close to the peak for 1974-75 of £1.22m.

The directors say that in the absence of unforeseen circumstances, the growth of the group will continue and be reflected in the results for the full year.

The group is developing new product lines, selling to new territories overseas and increasing the number of its customers, both at home and abroad.

All three divisions of the company, each of which produced an improvement in turnover and profits, are involved in this strategy for growth, they say.

The record interim dividend is 0.64p (0.6271335p) net per 10p share, ebsorbing £68,381. Total for 1975-76 was 1.5030015p.

The directors add that arrangements heve been completed to purchase the assets of e business manufacturing badminton shuttlecocks.

	Six months 1976 £000	1975 £000
Turnover	6,448	4,641
Profit before tax	716	418
Tax	372	217
Net profit	344	201

Spencer Gears sees at least £0.3m.

First-half turnover of general engineers, Spencer Gears (Holdings) rose by 52 per cent. to £1.59m. and pre-tax profit improved by 235 per cent. from e depressed £30,427 to £101,916.

And Mr. F. W. Forbes, chairman, states thet the strong current position of the Southern Industries companies will ensure that profit for the full year to end-June, 1977, should be at least £300,000, a record, compared with £176,087 last time.

First-half earnings per 5p share are shown to be up from 0.56p to 1.31p—the interim dividend is stepped up from 0.28p to 0.38p net, absorbing £17,356 (£12,789). Last year's total was 0.974p.

The improvement in turnover, with its marked benefit in profit, came mainly from Southern Industries (Croydon) and Southern Industries (Coolers), whose products are in increasing demand by the major U.K. brewers, says the chairman. The order book for beer raising, dispensing and cooling equipment is strong, and many brewers have announced further extensive investment plans.

The general engineering companies have shown some improvement, which should continue into the second half of the year.

	Six months 1976 £	1975 £
Turnover	1,386,638	1,042,977
Profit before tax	101,916	30,427
Taxation	42,317	4,817
Net profit	59,599	25,580

ALFRED HERBERT

The directors of Alfred Herbert have decided that, in the light of present circumstances the dividend due on April 30, 1977, in respect of the 4½ per cent. Cumulative Preference shares should not be paid.

U.S. loss holds back Sears

LOSSES OF £9.3m. in the U.S. and sharp profit falls in engineering and the William Hill betting shop chain have almost offset progress mede in other sections of the Sears Holdings group to leave results at the trading level virtually unchanged at £54m., compared with £53.33m., for the year ended January 31, 1977.

After interest end a turnround from a profit of £4.44m. to a deficit of £2.81, in respect of non-trading items, the pre-tax balance emerges lower at £42.47m. compared with £49.12m. The non-treding deficit comprises £1.9m. being the costs of closing certain knitwear manufacturing and distribution activities in the U.S., and £1.33m. exchaoge losses, partly offset by a surplus on disposal of property and on redemption of loan capital.

The directors point out that the exchange loss arises mainly on the translation into sterling of overseas net current assets. A surplus of £1.5m. (£1m.) relating to fixed assets less associated borrowings has been dealt with through reserves.

Profits attributable to Ordinary holders emerge £7.54m. down at £16.34m., mainly because of an unusually high tax charge reflecting losses in the U.S. which are not tax relieved in the year.

Earnings per 25p share are shown to be down from 5.3p to 3.6p. The dividend is the maximum permitted, being raised from 2.1p to 2.31p net.

	1976-77 £000	1975-76 £000
Turnover	792,893	714,856
Trading profit	54,097	53,328
Footwear	34,613	26,186
Department stores, etc.	19,967	14,221
Engineering	50	1,890
Motor sales, etc.	3,804	2,344
Betting shops	3,201	5,178
Property	2,406	2,784
Sears U.S. loss	9,264	†730
Interest	8,728	8,645
Profits after interest	45,279	44,683
Non-trading loss	2,811	14,435
Profit before tax	42,468	49,118
Taxation	28,037	24,319
Net profits	14,421	24,799
Minorities loss	2,068	†766
Attributable	16,497	24,033
Preference dividends	157	157
Attributable Ordinary	16,340	23,876
Ordinary dividend	10,361	9,419
To reserves	5,979	14,457

† Profit.

See Lex

Bruntons outlook

It is felt that Bruntons (Musselburgh) will succeed in obtaining at least its share of the home market in the current year and will be eble to stand up to competition in exports markets, Mr. A. S. Wood, chairman, tells members in his annual statement.

He reports that despite the continuing low demand for steel prodocts the aggregate tonnage sold by all divisions in the first quarter exceeded sales in the previous comparable period by 5 per cent.

The directors propose to pay the maximum elloweble interim dividend in the current period.

As reported March 30, pre-tax profit for 1976 rose from £1.69m. to a record £2.34m. on turnover up from £7.21m. to £10.08m.

The year began with high hopes that there would be some rise in the world demand for steel prodocts and with increased capacity the company was in en excellent position to take advantage of the expected upturn; however, when it came in the middle of the year it was short-lived and the tonnege sold in the full year was about 15 per cent. lower than the record years 1973 and 1974.

During the year there was en increase in liquid funds of £0.71m. (£0.09m.).

Meeting, Musselburgh, May 19, noon.

Brook St. picks up to £0.71m.

AFTER being behind at mid-way from £511,058 to £113,719, office staff agency, Brook Street Bureau of Mayfair, achieved e substantial improvement in the latter half of 1976 to finish the year with taxable profits of £705,554 against £678,894, on turnover slightly down at £10.39m. against £10.67m.

The directors report that the encouraging trend in business, first noted last May, was maintained during the second half of 1976, and continued in the current year.

The directors add that losses in the company's Australian subsidiaries are currently on a smaller scale, while profits in its U.S. operations continue to improve.

Earning per 10p share are shown at 4.26p (4.25p) and the dividend is maintained at 4.204p with an unchanged final of 3.031p net.

After tax of £412,202 (£385,813) net profit emerged as £293,352 (£293,081).

COUNTER-INFLATION ACT 1973

The Treasury have given consent to the declaration by the following companies of dividends of the total amounts specified for the financial years ending on the specified dates:

The Viscose Development Co Ltd.	Croydon	£123,493	31.12.76
M. Mole & Son Ltd.	Newport	£13,269	31.12.76
Black & Edgington Ltd.	Port Glasgow	£809,114	31.12.76
George Spencer Ltd.	Basford	£204,701	31.12.76
Boddingtons' Breweries Ltd.	Manchester	£806,212	31.12.76
The Savoy Hotel Ltd.	London WC2	£374,529	31.12.76
Brown Brothers Corporation Ltd.	Harlow	£670,572	31.12.76
Ladbroke Group Ltd.	London NW10	£3,251,697	28.12.76
Home Counties Newspapers Ltd.	Luton	£134,615	31.12.76
British Mohair Spinners Ltd.	Bradford	£434,982	31.12.76
Corah Ltd.	Leicester	£452,366	31.12.76
Percy Lana Group Ltd.	Tamworth	£201,277	31.12.76
Desoutter Brothers (Holdings) Ltd.		£690,915	31.12.76
Peachey Property Corporation Ltd.	London W2	£322,590	24. 6.76
Coral Leisure Group Ltd.	London W1	£2,343,997	30.12.76
Mixconcrete (Holdings) Ltd.	Northampton	£402,890	30.11.76
Grovebell Group Ltd.	Kington-upon-Thames	£18,461	30.11.76
Aurora Holdings Ltd.	Sheffield	£491,970	31.12.76
Harrison & Sons Ltd.	High Wycombe	£131,116	31.12.76
Estates and General Investments Ltd.	Ruislip	£119,688	31.12.76
The Bowater Corporation Ltd.	London SW1	£16,015,688	31.12.76
Rowntree Mackintosh Ltd.	York	£4,860,000	1. 1.77
Hanger Investments Ltd.	Birmingham	£57,123	31.12.76
Matthews Wrightson Holdings Ltd.	London EC3	£2,244,118	31.12.76
Ruberoid Ltd.	London WC1	£325,623	2. 1.77
Taylor Woodrow Ltd.	London W1	£2,417,883	31.12.76
Royal Worcester Ltd.	London W1	£530,117	31.12.76
Brent Chemicals International Ltd.	Iver	£241,480	31.12.76
The Lafarge Organisation Ltd.	Windsor	£172,369	2. 1.77

Published by the Treasury as required by the above Act

TKM 56% ahead to record £5.4m.

RECORD PROFITS and a better-than expected earnings total are announced by Tozer Kemsley and Millbourn (Holdings), the international finance and investment group. For 1976 pre-tax profit rose by 56 per cent. to £5,421,000. The volume of business handled by the group reached £909m., against £652m.

After a higher tax charge of £2.62m. (£1.41m.) and minorities of £334,000 (£314,000) net earnings come out 40 per cent. higher at £2.47m., compared with £1.75m. This is stated before extraordinary losses after tax totalling £1.3m.

Final dividend is 1.7886p per 20p share net making a total of 2.4388p, compared with 2.2171p. Stated earnings per share are 8.8p (6.2p) or 7p (5.2p) fully diluted.

Price and Pierce showed a satisfactory improvement particularly from timber and woodpulp activities, as did the investments division largely as a result of the automotive concessions.

Disappointing results from International Trade Finance reflected the need for further heavy provisions in Canada.

At half time profits were up from £1.11m. to £1.72m.

	1976 £000	1975 £000
Turnover	909,000	652,000
Trading profit	8,120	3,217
Assoc. share	887	840
Operating profit	6,007	4,057
Interest	586	586
Profit before tax	5,421	3,471
Taxation	2,622	1,406
U.K. tax	791	1,088
Overseas tax	1,797	757
Double tax relief	427	779
Share assoc. tax	461	360
Net profit	2,799	2,065
Minorities	334	314
Earnings	2,465	1,751
Extraordinary debits*	1,298	434
Attributable	1,167	1,317
Interim div.	183	166
Final	502	457

* Caused primarily by the closure of a subsidiary in England and the provision against the cost of a Canadian investment.

● comment

TKM's 56 per cent. pre-tax profits advance on a 40 per cent. rise in turnover mainly reflects buoyant trading in the motor companies. The disappointing performance was in TKM International, with trade finance generally depressed, particularly in Canada. The tax charge has fallen from 64 per cent. at the half-way stage to 48 per cent. for the full year, mainly due to a lower than expected rate in the U.K. But the rate is still well above the previous year's 40 per cent., when certain overseas losses were set against profits. This year the rate could drop (although not perhaps to 40 per cent.) as last year's losses are offset against 1977-78 profits. The write-offs below the line reflect closure of the textile importing subsidiary as well as reduced goodwill in Canada — but these items were offset to some extent by profits on the sale of the insurance broking subsidiary to Alexander Howden. At 50p the yield is 7.8 per cent. and p/e just under 7. The accounts should throw more light on prospects for this year.

Siemssen Hunter hits £0.6m.

AFTER A midway advance from £133,327 to £234,991, Siemssen Hunter finished 1976 with pre-tax profits of £614,531 compared with £420,478. The profit, which included associated companies amounted to £51,397.

The directors said at the interim stage that profit would be in excess of £500,000.

All companies in the group are currently trading profitably and results for the first quarter show a satisfactory improvement over last year, they add.

Following the disposal in October, 1975, of the company's controlling interest in its tobacco leaf merchanting division, Siemssen Threshie, group turnover was reduced, and, for 1976 decreased from £18.62m. to £12.43m.

Stated earnings per 10p share are 0.0689p (0.0418p) and the dividend is lifted to 2.13681p (1.94256p) the maximum allowed with a net final of 1.07357p as forecast. The directors state that but for current limitations, they would have recommended a substantially higher final dividend.

Net profit was £286,610 (£174,967) after tax of £327,921 (£245,511). After extraordinary credits of £14,551 (£63,695) and minorities the amount attributable came out at £301,161 (£237,411).

The company interests include cigar, cigarette and tobacco importing, tobacco leaf merchanting and the production of educational and reference material.

Bodycote holds £1.7m. after second half recovery

AN EXCELLENT second half has enabled Bodycote International to more than make up the ground lost in the first six months and produce a pre-tax profit for all of 1976 slightly better at £1.74m. compared with £1.71m. At midway the reduction was from £840,000 to £707,000.

At the attributable level the balance emerges lower at £796,000 compared with £827,000, representing earnings per 25p share of 10.08p (10.51p). Taking into account a scrip issue and subsequent consolidation of the 5p shares the dividend total is effectively raised from 2.22p to 2.43p net, with a final of 1.2647p—the permitted maximum.

Commenting on the divisions, Mr. J. C. Dwek, chairman, reports that substantial expansion is planned for the industrial protective clothing and safety products side which in 1976 accounted for nearly half of group profits, of which 77 per cent. stemmed from overseas subsidiaries.

In the last months of 1976 there had been a considerable production short-fall such that extra productive capacity had been urgently needed. Further facilities have now been added and these will cater for the growth projected for 1977.

Mr. Dwek says that the prospects are exciting and provide strong stimulus to make a suitable acquisition for this division.

He points out that during the year consideration had been given to many acquisition proposals none of which had been able to satisfy the Board's stringent investment criteria. In the absence of a suitable acquisition it has been considered appropriate to reduce the group's gearing by repaying Fl.1.7m. (£401,000) on overseas borrowing. In addition repayment has been made of the outstanding residue of the loan stock totalling some £480,000.

	1976 £000	1975 £000
Turnover	23,323	20,633
Profit before tax	1,739	1,712
Taxation	941	885
Attributable Ord.	798	827
Dividend	191,956	174,496

Thus over the last three years, gearing expressed as a percentage of holders' funds, has been reduced from 114 per cent. to 45 per cent. At the same time the group's liquidity remains satisfactory.

On prospects the chairman says that with sales still at a high level he feels confident that the current year will again show improvement in the group's prosperity.

● comment

A revival in the textile operations during the second half has helped Bodycote recover from the 16 per cent. setback at the interim stage and finish the year all square at £1.7m. That recovery apart the most significant aspect of the figures is the increased contribution from industrial protective clothing—up to half of group profits of which three-quarters comes from overseas. It is this division where Bodycote is looking for further growth and acquisitions are under consideration, though nothing definite is in the pipe-line. Meanwhile the textile division has continued to recover and trading in the first quarter of this year is back up to previous peaks. That sounds encouraging for this year, and with borrowings now down to under half of shareholders' funds these can no longer be considered unreasonable. At 39p the rating is hardly demanding with a 10 per cent. yield and a 3½ p/e.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TO-DAY

Interims: BPM Holdings.

Finals: Anchor Chemical, Border Breweries (Wrexham), Clarke Chapman, De Vere Hotels, Estate Duties Investment Trust, Fosceo Minsep, Gieves Group, Home Charm, Hoskins and Horton, Jessel Toynbee, Lyon and Lyon, Newman Tubes, Nurdin and Peacock, Petrocon, Smith St. Aubyn, Spillers, Tarmac, Telephone Rentals, Thomson T-Line Caravans and Wight Construction.

FUTURE DATES

Interims:	
Border and Southern Stockholders	May 2
Halstead (James)	May 3
NSS Newsagents	May 12
North Midland Construction	May 6
RCF	Apr. 29
FINALS:	
Associated Newspapers	July 4
Bremner	Apr. 29
Dale Electric	May 2
Cope Sportswear	May 2
Feedex	May 4
Harrison (T. C.)	May 3
Lake View Investment Trust	May 2
Metoy	Apr. 29
Whiley (George M.)	Apr. 29

J. Randall slips to £1.45m.

AS A result of subdued domestic demand and intensified competition, although exports staged a 13 per cent. recovery, turnover of J. and L. Randall increased only marginally to £1,997,000 during 1976 and pre-tax profit dropped from £1,513,000 to £1,448,000.

At halfway profit was down from £0.57m. to £0.47m.

Despite a quiet start to the year in the home market, turnover is at present well ahead, principally due to some sizeable export orders, say the directors.

With double figure inflation rates expected to persist over the medium term, and no foreseeable stimulus to consumer spending, the outlook is uncertain. Nevertheless, "we strive to resume our past record of earnings growth."

Stated earnings per 10p share for 1976 was 7.08p (7.58p) and the dividend payment is the maximum permissable, 1.5138p—there are dividend waivers of £82,893.

For the previous 15 months the payment was 1.720225p. Comparable figures have been annualised.

In general the directors say that they refrained from increasing prices for the duration of 1976 in consideration of the prevailing recession. In the absence of substantial growth of sales, it was inevitable that margins would be eroded by persistent inflation in direct costs and all overheads, consequently trading profits declined by 17.5 per cent.

At December 31, 1976 the equity portfolio at cost was £2,972,203 (market value £2,963,000). An unaudited revaluation of the portfolio carried out on April 15, 1977 showed the cost to be £2,856,988 (market value £3,322,058).

Ellis & Goldstein down by £1.2m.

TAXABLE profits of coats, costumes manufacturer Ellis and Goldstein (Holdings) fell from £2.13m. to £0.93m. for the year ended January 31, 1977. At halfway profit was down by £429,647 at £536,233. Sales for the year decreased slightly from £28.77m. to £28.55m.

The directors say that while the sales of spring goods is satisfactory and the initial orders taken for autumn are good, neither provides a secure basis to make a forecast for next year.

	1976-77 £000	1975-76 £000
Turnover	27,548	28,768
Home sales wholesale	5,603	9,088
Exports wholesale	1,250	917
Home sales retail	16,101	17,358
Exports retail	2,592	1,402
Depreciation	253	291
Interest received	62	94
Interest paid	54	44
Pre-tax profit	926	2,130
Taxation	516	1,147
Net profit	419	983
Pref. dividends	8	8
Ord. dividends	399	353
To surplus	13	622

Current changes in demand arising from inflation, increased costs and the reduction in the company's traditional home markets are being accommodated and efforts are being made to maintain the momentum of development overseas, they add.

Stated earnings per 5p share are 1.8p (4.3p) and a second interim dividend, being a result of the projected change in the rate of ACT, of 0.905p net, makes a total of 1.705p (1.55p).

Felixstowe Dock omits final

Turnover of the Felixstowe Dock and Railway Company for the 18 months to end December, 1976, was £15.3m. compared with £8.14m. for the previous year. Group profit was £901,879 against £613,519, after all charges. There was again no tax. Comparisons have been restated, the directors say.

They add that they do not propose to recommend a final dividend in view of the necessity to retain funds to finance future expansion. The interim dividend of 0.01p net per £1 share is therefore the only payment for the period, compared with a total of 6.51p in 1975.

Current trading conditions and forecasts continue to remain excellent, and the directors look forward with confidence to future increases in traffic and profitability, they state.

Richards & Wallington setback to £1.81m.

Richards and Wallington Industries, the crane hire and construction equipment group, is maintaining the final dividend for 1976 at 2.58p per share for an unchanged total of 4.04p—pre-tax profit dropped from £2.69m. to £1.81m. after £1.02m. (£1.18m.) at halfway.

The decision to maintain the dividend is, says Mr. Roy Richards, chairman, "evidence of our confidence of our return to previous profit levels during 1977."

Profits are now being made again in London and the Home Counties, joint ventures are producing useful profits for the first time and finally the marked reduction in interest rates will be an obvious advantage, he adds.

In spite of exceptional efforts and dedication, 1976 was a very difficult year, but substantial improvements can be expected in profitability during 1977 with a return to the levels of previous performance.

Stated earnings per 10p share for 1976 were 8.87p (10.82p).

Mr. R. W. Richards is waiving dividends of £31,108.

The chairman points out that but for the exceptional losses of approaching £1m. suffered on the London and Home Counties crane hire company, the tower crane distributorship franchise, and the high interest rates experienced during the period, a near record result would have prevailed. This, at least, "provides optimism for the current year."

● comment

Sharply higher interest charges, losses in the London crane hire business plus a slump in sales of tower cranes are said to have cost Richards and Wallington £1m. in trading profits. The slump in construction in London forced the company to cut its already depleted crane fleet from 300 to 170, but outside London plant utilisation was a buoyant 80 to 85 per cent. The result was to reduce hiring profits from £1.9m. to £1.3m. Profits from sales of equipment were a mere £85,000 (£528,000) but these were struck after provision for the setting-up costs of the two joint manufacturing ventures which have not yet contributed to profits. The company now claims that the London operations are back in profit, that the tower crane side is being supported by overseas sales and that the new manufacturing activities (which will lessen dependence on plant hire) could produce £½m. profit. At 52p the shares stand at 5.6 times earnings on a 12.6 per cent. yield.

Chamberlain Group outlook satisfactory

Although more difficult, 1977 should be another satisfactory year for Chamberlain Group and Mr. L. F. Chamberlain, chairman, is hopeful that it will see the start of a further expansion of engineering activities.

During 1975 and 1976 capital expenditure of £611,000 has been made on improvement of plant, machinery and premises and a further £1m. of such expenditure is budgeted for 1977. This expenditure and the increase in the year of £2.1m. in current assets has been financed entirely out of funds generated within the group. While he still anticipates that the group will be able to generate further funds in the current year, adequate facilities are available to provide additional finance for expansion both within and beyond existing activities.

As reported on April 20, turnover for 1976 was £19.06m. (£19.07m.) and pre-tax profit £1.96m. (£0.93m.). A split shows structural engineering £10.81m. (£11.58m.) and £1m. (£0.18m.), hydraulic engineering £7.23m. (£6m.) and £1.05m. (£0.88m.) and property development £1.01m. (£1.5m.) and £0.09m. loss (£0.13m. loss).

The cost of sales adjustment is relevant to the hydraulic engineering division only and is computed at £0.24m.

At March 31, 1977 Brown and Sharpe International Capital Corporation held 20 per cent. of the Ordinary, 17.9 per cent. was held by trustees of a settlement of which the chairman is a trustee and a discretionary beneficiary and 11.9 per cent. were held by trustees of a settlement of which the chairman is a trustee.

Meeting, The Dorchester, W., May 18, noon.

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Grampian TV recovers to £304,778

On a turnover of £2.74m., against £2.46m., profits of Grampian Television, the television programmes contractor for the North of Scotland, recovered from £138,765 to £304,778 in the year ended February 28, 1977.

After tax of £170,311 (£80,022), earnings per 10p share were 4.5p (2p).

Advertising revenue at £2.68m., showed an increase of 30 per cent. In the first few months of the current year the buoyancy in the level of advertising revenue has continued, the directors state.

The dividend total is raised from 1.62p to 1.97p, with a final of 1.37p.

RESULTS AND ACCOUNTS IN BRIEF

ALBANY INVESTMENT TRUST—Final dividend 0.65p making 1.0075p year ended February 28, 1977 (0.91p). After £71,049 (£27,444) tax, net revenue £55,282 (1976 £51,027). Net dividends £50,494 (£45,605). Valuation of investments £4,603,915 (£1,328,307). Net asset value per share 29.91p (25.90). Meeting, June 24.

ASH AND LACY—Results for 1976 reported April 1. Fixed assets £2.34m. (£2.16m.), net current assets £3.4m. (£4.21m.). At year end working capital up £2.96m. (£0.09m.). Reliance Assurance Co. holds 10.06 per cent. Chairman says company made slow start in 1977 and not much improvement expected until at least second half, but he is confident of further progress in 1978 and 1979. Meeting, Birmingham, May 16, at 6.15 p.m.

BIFURCATED ENGINEERING—Results for 1976 reported on April 1. Fixed assets £2.66m. (£2.83m.). Net current assets £2.51m. (£1.38m.). Increase in bank overdrafts of £55,157 (decrease of £413,449). Future capital expenditure contracted for but not provided £73,000 (£120,000) and authorised but not contracted for £295,000 (£375,000). Directors say that the company's aim will be to continue the progress made during 1976. Meeting, Aylesbury, May 19 at noon.

W. H. BRAKSPEAR AND SONS (brewers)—Turnover 1976 £7.91m. (£3.13m.), pre-tax profit £0.28m. (£0.2m.), earnings 70.87p (49.29) per share. Fixed assets £1.41m. (£1.28m.), current assets £0.58 (£0.46m.), current liabilities £0.63m. (£0.79m.). Liquid funds increased by £80,711 (£31,279 decrease). Meeting, Henley-on-Thames, May 13, 11.30 a.m.

A. CAIRD AND SONS (retailers of clothing and sports goods)—For the year to January 31, 1977 pre-tax profit 103,626 (£105,320) on turnover £2.2m. (£2.06m.). Earnings per £1 share 13.04p (12.69p) and the net dividend is 7.4324p (6.7567p). Net profit £48,537 (£47,405) after tax £57,098 (£57,915).

DE BEERS CONSOLIDATED MINES—Results for 1976 already known. Fixed assets at December 31 R122.92m (R100.13m.). Current assets R630.99m (R370.81m.). Current liabilities R336.99m. (R163.17m.). Meeting, Kimberley, May 17.

EAST LANCASHIRE PAPER GROUP—Results for 1976 and comments on prospects reported March 16. Group fixed assets £4.69m. (£4.44m.). Current assets £9.31m. (£7.62m.), liabilities £5.96m. (£4.38m.). Decrease in liquid funds £1.93m. (£0.53m. increase). Meeting, Radcliffe on May 4 at 11.45 a.m.

EXECUTEX CLOTHES—For 1976 turnover £581,733 (£753,221), pre-tax profit £13,865 (£34,175). No tax (same). No dividend (same).

EXPANDED METAL COMPANY—Results for 1976 reported April 5. Fixed assets £6.54m. (£5.94m.), net current assets £6.4m. (£5.46m.). At year-end net liquid funds up £1.94m. (down £2.29m.). Chairman says profits could be under some pressure in 1977 due to difficult conditions in some sectors served. Meeting, Tower Hotel, E., May 26 at 12.30 p.m.

FUNDINVEST—For half-year to March 31, 1977, pre-tax revenue £222,237 (£196,028), tax £82,927 (£73,832). Net profit £129,310 (£122,196). Net asset value per 25p Capital share 78.975p (55.125p at September 30, 1976). Interim on 25p Income shares 0.275p (0.622p).

HUNTLEIGH GROUP—Results for 1976 reported April 5, 1977. Fixed assets £1.16m. (£1.27m.), net current assets £1.49m. (£0.87m.). At year end cash balances were up £0.2m. (down £0.22m.). Directors Mr. R. Schild and Mr. P. C. Epstein each hold 12.4 per cent. Commercial Finance Corporation (3.8 per cent). Chairman says that, subject to reasonable economic and political stability, both turnover and profits should continue to grow in current year. Meeting, Abercorn Rooms, E.C., May 19, at noon.

S. JEROME AND SONS (HOLDINGS)—(Worsted spinners). Results for 1976 already known. Fixed assets £1.17m. (same), net current assets £2.16m. (£1.57m.). Chairman sees similar dividends next year. Stocktaking at year end confirmed suspicions that misappropriation of yarn was taking place—police carrying out investigations. Meeting, Bramhope, May 19, 12.30 p.m.

A. A. JONES AND SHIPMAN (precision engineers)—Results for 1976 reported March 25. Fixed assets £1.69m. (£1.63m.), net current assets £5.49m. (£4.6m.). At year end net liquid funds increased by £0.33m. (£0.64m.). T. S. Shipman Charitable Trust holds 13 per cent. Chairman says company has made a better start in current year and is in a strong position to achieve a satisfactory outcome. Meeting, Leicester, May 23 at 3.15 p.m.

KWAHU CO.—Pre-tax profit half year to December 31, 1976, £74,652 (£40,171). Tax £12,703 (£17,433). Revenue was £51,019 (£53,491), comprising dividends and interest £34,541 (£29,926) and profit on sale.

LONDON PALM OIL—Quietly steady. After two strong days on Chicago, terminal and actual markets marked prices slightly higher with light trading. Physical crude Malaysian fob market very firm. Sime Darby reports. Closing: April 400-380 nom., June 400-355, Aug. 396-358, Oct. 389-390, Dec. 391-352, April 325-250. Sales: 9 lots.

SAVOY THEATRE (subsidiary of Savoy Hotel)—Pre-tax profit 1976 was £31,709 (£22,813). Add profit on realisation of investments nil (£946). Tax £15,544 (£630), leaving net profit £16,164 (£23,129). Because of tax losses available last year from parent company there was no corporation tax, but this advantage has disappeared this year. In the circumstances dividend cut to 35 per cent. (40 per cent.).

SHARNA WARE (plastic ware manufacturers)—Results, 1976, reported March 23. Fixed assets £0.83m. (£0.72m.), net current assets £0.6m. (£0.45m.). Cash balances increased by £0.22m. (£0.04m.). Chairman sees continuation of progress. Meeting, Manchester, May 6, 12.30 p.m.

SUPRA GROUP—Results year to November 30, 1976, reported April 15. Fixed assets £1.31m. (£1.4m.), net current assets £0.94m. (£0.64m.). Bank balances and cash £0.9m. (£2.61m.). Chairman says turnover and profit substantially ahead in first few months. Improvement expected to be reflected in trading profit in current year, subject to economy and more flexible pay policy. Meeting, Birmingham, May 31 at noon.

UNITED BISCUITS (HOLDINGS)—Results for year to January 1, 1977 reported March 9 with comments on prospects. Group fixed assets £107.9m. (£86.85m.). Net current assets £41.62m. (£44.78m.). Decrease in net liquid funds £4.52m. (£27.52m. increase). Meeting, Edinburgh on May 19 at noon.

UNITED CAPITALS INVESTMENT TRUST—Results for 1976 reported March 17. Quoted investments U.K. £0.66m. (£0.64m.) overseas £8.257 (£7,730), unquoted valued by directors £0.28m. (same). Current assets £0.07m. (£0.21m.), current liabilities £0.04m. (£0.14m.). Liquidity down £0.04m. (up £0.06m.). Chairman states that fixed term loan now repaid. Directors have reasonable hope that revenue will improve. Meeting, Cardiff, May 16 at 12.30 p.m.

VIKING RESOURCES TRUST—Pre-tax profit for the year to March 31, 1977, £253,959 (£192,728). Tax £139,864 (£81,327). Dividend 0.9p (0.75p). Earnings per 20p share 1.14p (1.11p).

WOLF ELECTRIC TOOLS (HOLDINGS)—Results for 1976 reported March 25. Fixed assets £2.35m. (£1.36m.), net current assets £5.26m. (£4.66m.). At year-end, increase in working capital £0.5m. (£1.04m.). Chairman says there will be steady controlled growth in 1977. Meeting, Pioneer Works, W., May 19 at noon.

YOUGHAL CARPETS (HOLDINGS)—Results for 1976 reported March 23. Fixed assets £10.9m. (£9.15m.), net current assets £10m. (£8.23m.). At year-end, increase in working capital £3.73m. (£0.89m.). Meeting, Youghal, May 20.

MINING NEWS

CRA's £385m. faith in Australian mining

BY KENNETH MARSTON, MINING EDITOR

EARNINGS of the Rio Tinto-Zinc group's 72.6 per cent.-owned Conzinc Riotinto of Australia have shown "a solid advance" in the first three months of this year according to the chairman, Mr. Rod Carnegie. Furthermore, he takes a more optimistic view of the company's prospects than has been the case "for the last several meetings."

Commenting on the Australian mineral scene at the annual meeting in Melbourne, Mr. Carnegie said: "We do now see the glimmer of fresh opportunity. That is a realistic optimism without which we would not be starting to make the long-term commitments which characterise your industry." He pointed out that the group's investment budget for the next two years is $A600m. (£385m.).

A lot of this money is going into new capacity such as the Hamersley iron ore concentrator and the Woodlawn lead-zinc-silver project. Meanwhile, CRA is discussing with Allied Minerals the possibility of an entry into the mineral sands industry in Western Australia. "Your group has begun to expand again. A confident approach is now realistic."

Mr. Carnegie said that without the growth of a competitive, export-orientated mining industry, "Australia would not simply be a poorer place. It would be smaller, less vigorous, less diversified, less self-reliant." Let us hope that the country's politicians, who have yet to formulate a constructive mining policy, will pay attention to these views.

Meanwhile, CRA's 54 per cent.-owned Hamersley iron ore giant reports first quarter net earnings of $A9.68m. (£6.2m.) compared with $A4.33m. in the same period of last year. In the final quarter of last year, however, earnings amounted to $A18.26m. to make a total for 1976 of $A45.52m. against $A26.7m. in 1975.

During the past quarter ore shipments fell to 7.97m. tonnes (they totalled 36.1m. tonnes in 1976) and were held back by labour stoppages during February and March. Hamersley also suffered a further rise in costs. But there is no doubt that the full year's earnings will show a further rise if only the group can make some progress in improving labour relations in this notoriously strike-prone industry.

ROUND-UP

Net earnings at the Rio Tinto-Zinc group's Canadian copper-molybdenum producer, Lornex Mining, during the March quarter were $C4.7m. (£2.6m.) against $C2.3m. in the same period of 1976. Behind the increase was higher production and slightly better prices, but changes in the British Columbian tax structure have also benefitted the company.

* * *

The directors of Globe and Phoenix Gold Mining and Phoenix Mining and Finance are defending their planned merger into the Phoenix and Globe Group and the acquisition of the Worldwide Group against some shareholder criticism. A letter to shareholders argues that prospects for both companies are limited in their present form and that profits from the Worldwide Group are fundamental to the development of PGG, whose shares would not be suitable for listing without the acquisition of Worldwide.

* * *

Despite higher sales, payments on foreign borrowing and major problems at a nickel project caused Marinduque Mining and Industrial, one of the largest mining groups in the Philippines, to make a net loss of Pesos 83.7m. (£6.5m.) last year. Heavy losses on nickel operations were partially offset by income from copper and cement.

MINING BRIEFS

UNITED TIN AREAS OF NIGERIA—Production for February and March: tin concentrates (73 per cent. grade) 7 tonnes. Production for 12 months ended March 31: tin concentrates (73 per cent. grade) 38½ tonnes. Production for 12 months March 31, 1976: tin concentrates (73 per grade) 38½ tonnes.

Canadian warning

THE DESIRE of mining companies to break loose from the shackles of governmental controls and free themselves from what they consider to be oppressive tax regimes has found astringent expression at the annual general meeting of the Canadian Institute of Mining and Metallurgy.

Mr. Marsh Cooper, the president of Falconbridge Nickel, warned the conference that Government involvement and taxation of the mineral industry in Canada was forcing the companies to seek other resources abroad. Some 50 Canadian mining companies were operating on an international scale, he said.

Although the Canadian Government was showing signs of recognising the importance of mining to the nation, it would be another ten years of strong effort to get the industry running at capacity, Mr. Cooper argued.

Widening the scope of criticism, Mr. William Dee, executive vice-president of Noranda Sales, charged, "Controls are the creation of people who don't understand what is going on and feel that through controls they will." He cited Chile and Mexico as examples of stagnation in mining development because of "negative incentives."

The immediate ire of the Canadian companies has been directed at New Brunswick where the provincial Government is proposing to change its 1971 regulations and replace them with a royalty equal to 2 per cent. of net smelter returns, plus a tax related to earnings. The industry, led by Brunswick Mining and Smelting, has been putting its case to the provincial Government in talks at official levels.

Americans join Irish in new towel making project

A MAJOR £44m. investment project, involving the establishment of a new towel manufacturing company in Kilkenney, is to be undertaken by two leading Irish companies in co-operation with Fieldcrest Mills of the United States. The Irish companies participating in the venture are P. J. Carroll, the tobacco group, and the Bank of Ireland, one of the major clearing banks.

In addition to owning 50 per cent. of the new company, Fieldcrest will manage the project. The Irish companies will each own 25 per cent. of the company.

The scheme is the first major venture in Ireland between a foreign interest, a leading Irish industrial company and a major Irish bank. It was disclosed yesterday that Fieldcrest had been considering such an investment for some time, but was preparing to abandon the project until the Irish Industrial Development suggested a joint venture with Irish interests.

The factory, on which work is expected to begin shortly, will eventually employ over 1,200 people.

Fieldcrest is forecasting that the company, which will sell mainly in the European market, will have annual sales of $35m. by 1984. Profits will qualify for 100 per cent. export tax relief up to 1989-1990.

It is anticipated that about 75 per cent. of the sales revenue from the project will be in non-sterling currencies.

An application has been made to the Industrial Development Authority for a grant towards the cost of $50m. investment in new plant and equipment.

Mr. Briggs joins GRA Trust

Mr. John Briggs, a Huddersfield solicitor who is chairman of a shareholders' association critical of the present Board, gained election as a director of GRA Property Trust at the annual meeting.

Defeat of a motion re-electing Mr. W. B. Shepherd, by 428,006 votes to 358,657 votes allowed the motion to elect Mr. Briggs to go to the meeting. The voting was 425,711 in his favour, 366,018 against.

Mr. Briggs, who has been forthright in criticising the Board which is working under a committee of creditors in managing the group under a scheme of arrangement, said yesterday that he "hoped to convince the chairman that his fears about me are unjustified." He hoped his presence could strengthen the Board's position, since shareholders would now feel their interests were properly represented there.

Mr. E. J. Aaronson, chairman, told the meeting that the Stock Exchange was not yet prepared to restore the listing in the company's shares. However, a committee was considering whether it would be possible to deal between willing buyer and seller under special rules.

Lighting & Leisure advance

PRE-TAX PROFITS for Lighting and Leisure Industries rose from £351,876 to £481,053 for the six-month period ended January 31, 1977, on turnover increased by £2.12m. to £6.24m. Profit for 1975-1976 was a record £910,642.

The directors say that the full year's profits will depend on the weather this summer, but with average conditions and no adverse economic factors, the company is on target for a successful year.

The results, for the period, continue the uninterrupted record of progress since the group's flotation in 1972.

The leisure division was again responsible for the increase in profits, the directors state—two additional units at the company's Morley factory were created. The policy of adding value to existing products should ensure a buoyant future for group activities, they add.

Earnings per 10p share are up from 1.86p to 2.19p and the interim dividend is increased to 0.88p net compared with 0.8p after a one-for-four scrip issue. Last year's equivalent total was 1.6p.

The company manufactures and distributes light fittings, camping and sports equipment and leisure furniture.

Unochrome well up so far

IN THE nine months ended March 31, 1977, profits of Unochrome International increased from £230,000 to £520,000 on a turnover up from £8.31m. to £9.8m.

After tax of £256,000 extraordinary debits of £47,000 (nil) and minorities of £71,000 (£43,000) the net balance emerges £146,000, against £81,000.

The interim dividend is raised from 0.2p to 0.35p—the 1975-76 total was 0.4p, paid from profits of £573,000.

Midway fall at Newman Granger

On turnover ahead by £428,7[illegible] to £2.71m., pre-tax profit of Newman Granger Industries for the half year to end January 1977, fell from £280,584 to £181,07[illegible].

The interim dividend is a maximum permitted 0.528p net per share, compared with 0.48p (adjusted for scrip issue). Last year's total was 1.1096p (adjusted) from profits of £570,178 (£445,985).

Tax charge for the half year was £96,500 (£149,300).

The company manufacture screw-threaded jacks, etc.

MONEY MARKET

Interest rates decline

Bank of England Minimum Lending Rate 8¾ per cent. (since April 22, 1977)

Short-term fixed period interest rates remained depressed in the London money market yesterday. Discount houses buying rates for three-month Treasury bills of 7 27/32-7 13/16 per cent. indicate a cut of at least ¼ per cent. to 8½ per cent. in Bank of England Minimum Lending Rate this week, and market sentiment suggests a continued decline before Friday's Treasury bill tender unless the authorities give a signal to the contrary.

Day-to-day credit was in short supply again yesterday and the Bank of England gave extremely large assistance by lending a very large amount overnight at Minimum Lending Rate to seven or eight houses, and by buying a moderate number of Treasury bills from the houses.

Banks carried forward surplus balances from Monday, but this was outweighed by a substantial excess of revenue payments to the Exchequer over Government disbursements, repayment of the previous day's official advances to the market, and further funds called for the instalment on Exchequer 12¼ per cent., 1992.

Discount houses paid around [illegible] per cent. for secured call loans in the early part, and closing balances were taken at 8-8½ per cent.

In the interbank market overnight loans opened at 8¼-8½ per cent., touched 8¾-9 per cent. before easing to 8¼-8½ per cent. and closing at 8¼-8¾ per cent.

Rates in the table below are nominal in some cases.

April 26 1977	Sterling Certificates of deposits	Interbank	Local Authority deposits*	Local auth. negotiable bonds	Finance House Deposit	Company deposits	Discount market deposits	Treasury bills Φ	Eligible Bank Bills Φ	Fine trade Bills Φ
Overnight	—	8¼-9	—	—	—	—	8-8¾	—	—	—
2 days notice	—	—	8¼-8⅛	—	—	—	—	—	—	—
17 days or 7 days notice	—	8⅜-8⅝	8⅝	—	8½-8⅞	—	—	—	—	—
One month	8¼-8⅛	8¼-8⅝	8¼-8⅜	9¼-8⅝	8⅝-8¾	—	8⅛-8⅝	—	—	—
Two months	8¼-8 7/16	8¼-8 7/16	—	9¼-9⅛	8⅝-8⅜	—	8⅛-8¼	7 29/32-7¾	8¼-8⅛	9¼
Three months	8 7/16-8 9/16	8 7/16-8 9/16	8¼-8⅝	9¼-8⅛	8⅝-8¾	—	8-8⅛	7 27/32	8 1/16	9⅛-8[illegible]
Six months	8⅝-8¾	8 13/16-8⅞	8¾-9	8¾-8⅛	8⅞-9⅛	—	7⅞-8	7⅞-7 13/16	7⅞	8[illegible]
Nine months	8⅞-8 15/16	9⅛-9¼	—	9⅛-8¾	—	—	—	—	8⅛	8[illegible]
One year	9 1/16-9 3/16	9⅜ 9¾	10-10⅛	9¾-9¼	—	—	—	—	—	—
Two years	—	—	10⅞-11⅛	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. * Longer-term local authority mortgage rates nominally three years 12½-12¾ per cent.; four years 12¾-12½ per cent.; five years 12¾-13 per cent. Φ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 8¼-8 5/16 per cent.; four-month trade bills 9 per cent.

Approximate selling rate for one-month Treasury bills 7 25/32-7¾ per cent.; two-month 7⅞ per cent.; and three-month 7 13/16-7 25/32 per cent. Approximate selling rate for one-month bank bills 8 5/16 per cent.; two-month 8 1/16 per cent.; and three-month 7⅞ per cent.; one-month trade bills 9¼ per cent.; two-month 9¼-9 per cent.; and also three-month 9 per cent.

Finance House Base Rate (published by the Finance Houses Association) 11½ per cent. from April 1, 1977. Clearing Bank Deposit Rates for small sums at seven days' notice 4½ per cent. Clearing Bank Base Rates for Lending 9 per cent. Treasury Bills: average tender rates of discount 8.0010 per cent.

SHARE DISCLOSURES

Meyer has 10.69% of Intl. Timber

International Timber Corporation has asked for a meeting with Montague L. Meyer, the timber importers, following yesterday's disclosure that Meyer now holds 10.69 per cent. of International Timber's shares.

Mr. Ron Groves, International's chairman, said yesterday he would be surprised if Meyer mounted a takeover bid. But if that happened he would expect a Monopolies Commission inquiry because of the share of some timber products held by International Timber.

Major stakes hava been disclosed in Automotive Products, the most significant being that of Lucas Industries with a 9.76 per cent. holding. Other holders include Mr. J. B. Emmett (5.71 per cent.), Camway Investments (8.17 per cent.), E. S. Holdings (5.47 per cent.) and Pinion Investments (14.44 per cent.).

Northern Foods holds 8.1 per cent. of Avana Group, the Cardiff-based caka manufacturers, bakers and confectioners whose chairman is Sir Julian Hodge.

A stake of 6.42 per cent. has been disclosed by The Distillers Company in Glenlivet Distillers, in which substantial stakes of 27 per cent. are held by Imperial Group and over 11 per cent. by Suntory, the Japanese company.

Aer Lingus, the Irish airline, holds 2,192,347 shares (6.78 per cent.) of Guinness Peat Group.

Strong institutional support has been disclosed in Fluidrive Engineering, the couplings and transmission company, which is capitalised at only £3m. ICI Staff Pension Fund holds 3.09 per cent., Globe Investment Trust 6.09 per cent., Foreign and Colonial Investment Trust 5.95 per cent., Prudential Assurance 5 per cent. and Drayton Commercial Investment Trust 5.13 per cent.—a total of 27.2 per cent.

Hunting Gibson: Hellenic and General Trust is beneficially interested in 140,000 Ordinary (8.057 per cent.).

London Scottish American Trust: London and Manchester Assurance holds 1,190,971 Ordinary (7.10 per cent.).

United States Debenture Corporation: London and Manchester Assurance holds 56,000 5½ per cent. Cumulative Preference stock (5.93 per cent.).

Graham Millar Group: Throgmorton Trust holds 525,000 Ordinary (5.25 per cent.).

King and Shaxson: Britannic Assurance holds 600,000 Ordinary (6.66 per cent.).

Letraset International: Mr. J. G. Davies, a director, sold 20,000 Ordinary shares on April 20, 1977.

Ransomes Sims and Jefferies: Britannic Assurance is interested in 500,000 Ordinary (9.18 per cent.). Prudential Assurance is interested in 469,249 Ordinary (8.61 per cent.).

Empire Plantations and Investments: Single Holdings owns 20,000 Ordinary and 15,000 3.5 per cent. Preference shares.

Single Holdings: Empire Plantations and Investments owns 20,000 4.55 per cent. Preference shares.

Drayton Premier Investment Trust: Royal Insurance holds 1,086,811 Ordinary (7.4 per cent.).

Drayton Consolidated Trust: National Farmers Union Mutual Insurance Society holds £17,950, 4.3 per cent. Cumulative Preference stock (7.32 per cent.).

Spong and Co.: BSR holds 118,000 (0.8 per cent.) Ordinary.

Broadstone Investment Trust: Equity and Law Life Assurance Society beneficially holds £50,000 5 per cent. Cumulative Preference stock (8 per cent.).

B. S. and W. Whiteley: H. Weldmann holds 391,000 (9.944 per cent.) Ordinary.

Maynards: ITC Pension Trust jointly holds with ITC Pension Investments 320,000 Ordinary.

Milford Docks Company: Dauntsey Investments holds 102,500 Ordinary (13.1 per cent.).

Capital and National Trust: Abbey Life beneficially holds 865,473 Ordinary (5.89 per cent.).

Land Securities Investment Trust: Central Holdings holds 10,567,000 (6.8 per cent.) Ordinary, and Legal and General Assurance holds 8,956,500 (5.6 per cent.) Ordinary and Prudential Assurance holds 10,061,434 (6.3 per cent.) Ordinary.

Brycourt Investments: Pearl Assurance holds 369,500 Ordinary (5.28 per cent.).

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Anglo American Asphalt: The interests of directors in shares of the company: Mr. D. M. McI Burnell 302,317, Mr. D. W. Harris 1,725, Sir Tom Hood 86,858, Mr. R. W. Sims 3,225, Mr. A. R. O. Slater 1,200, Lord Thomas 18,085, Mr. M. J. G. Wylie 100,000 and Mr. J. M. F. Padovan 400. Mr. Burnell's interest represents 6.72 per cent. of Ordinary share capital.

Hanson Trust: Prudential holds 3,612,240 Ordinary (5.37 per cent.).

Clarke, Nicholls and Coombs: Outwich Investment Trust holds 468,500 Ordinary (9.37 per cent.). Mr. G. Mathieson, a director, has a beneficial interest in 160,036 Ordinary (3.2 per cent.) and £690 of a 8½ per cent. Unsecured Loan Stock (0.3 per cent.). Guinness Peat Group beneficially holds 1,090,150 Ordinary shares (21.8 per cent.).

AVP Industries: The ITC Pension Trust jointly with the ITC Pensions Investments hold 1,300,000 Ordinary shares.

Leyland Paint and Wallpaper: Mr. T. J. Hemminga holds 300,000 (5.21 per cent.) of the Ordinary capital.

Brownlee: Trustees of the Brownlee Pension Fund hold 4,173 5 per cent. Cumulative Preference shares (41.7 per cent.). McLeod Russel and subsidiary companies hold 708,000 Ordinary (9.99 per cent.). Mr. T. B. Paisley, a director, holds 429,800 Ordinary (6.1 per cent.) and 735 5 per cent. Cumulative Preference shares (7.3 per cent.).

United Biscuits (Holdings): Prudential holds 6,489,168 Ordinary (6.28 per cent.).

Richard Clay: ITC Pension Trust, jointly with ITC Pensions Investments holds 400,000 Ordinary shares (5.58 per cent.).

Gieves Group: Scottish Amicable Life Assurance Society is beneficially interested in 177,500 Ordinary shares (5.8 per cent.).

Bazaloni Holdings: Jatel holds 22,500 Ordinary (8.99 per cent.) and Longbourne Holdings holds 24,410 Ordinary (9.76 per cent.).

William Jacks: M and G Endowment and Pensions Assurance holds 312,500 Ordinary and Prudential holds 288,000 Ordinary.

Bestwood: Mr. J. Heyworth-Dunne, a director, has disposed of 25,000 Ordinary, thus reducing his holding to 50,000 shares.

Dawnay Day Group: Mr. E. B. Clowes is beneficially interested in 14,000 Ordinary purchased on April 15, 1977.

Econa: ITC Pension Trust, jointly with the ITC Pensions Investments holds 250,000 Ordinary.

Rhodesian Corporation: London Finance and Investment and Western Selection and Development hold 466,672 shares (5.24 per cent.) and 880,000 shares (9.88 per cent.), respectively.

F. Pratt Engineering Corporation: Norwich Union Insurance holds 408,500 shares (7.7 per cent.). Prudential Assurance holds 330,392 Ordinary (6.2 per cent.). A. M. G. Galliers-Pratt, Esq., holds 427,880 (8.2 per cent.).

Finlay Packaging: Directors hold shares as follows: R. N. D. Langdon 2,000 beneficial. H. A. Mason 337,894 beneficial and 109,894 non-beneficial (10 per cent.). J. R. C. Mason 16,871 beneficial. J. W. Jordan 19,935 beneficial and H. Burrows 6,000 beneficial. Jefferson Smurfit Group holds 681,600 shares (16 per cent.). The ITC Pension Trust and ITC Pension Investment holds 471,625 shares (11 per cent.). M and G Investment Management, which Board understands is exempt being an authorised unit trust, holds 9 per cent.

Lake View Investment Trust: Pearl Assurance is beneficial owner of £90,250 5 per cent. Preference stock (17 per cent. of the stock with unrestricted voting rights).

Linfood Holdings: Guinness Peat acquired 15,000 Ordinary shares on April 6, 1677, 35,000 on April 12, 1077 and 20,000 on April 18, 1977.

John Williams of Cardiff: As at April 18, 1977, the joint beneficial shareholdings of Mr. H. E. Williams, a director, together with those of his wife totalled 407,172 Ordinary (8.07 per cent.).

Transatlantic and General Investments: M and G Friendly Society holds 140,000 Ordinary (6.96 per cent.) and M and G Trust Assurance 240,000 Ordinary (11.92 per cent.).

Tyneside Investment Trust: London and Manchester Assurance, their subsidiaries and nominees, hold 1,085,515 Ordinary (17.54 per cent.), and 23,000 Preference shares (2.8 per cent.).

Merchants Trust: Scottish Investment Trust holds 73,000 4½ per cent. Cumulative Preference shares (6.2 per cent.). Standard Life Assurance holds 3,240,000 Ordinary stock units (6.5 per cent.), and Royal Insurance holds 60,000 4½ per cent.

First Scottish American Trust: Standard Life Assurance holds 1,703,575 Ordinary (5.9 per cent.).

Tern Consulate: ITC Pension Trust jointly with ITC Pension Investments holds 5.35 per cent. of the Ordinary share capital and Mr. M. A. Nacham holds 7.1 per cent. of the Ordinary capital.

Hawker Siddeley: Mr. B. R. Bensley, a director, holds 50 Ordinary and 450 5½ per cent. Cumulative Preference shares.

Robb Caledon Shipbuilders: Mr. D. J. Harrold holds 35,000 Ordinary.

Anglo Welsh Investment Trust (Continuation): Gresham Investment Trust Group holds 225,000 Ordinary (5 per cent.).

Leopold Joseph Investment Trust: London Trust is the beneficial owner of 295,000 Ordinary (9.83 per cent). Thanet Investment Trust is interested in 175,000 Ordinary (5.83 per cent.).

Dufay Bitumastic: Pension Funds Securities, acting as nominees for ICI Staff Pension Fund holds 530,000 Ordinary shares (5.73 per cent.).

Bridport Gundry: Equitable Life Assurance and its subsidiary, University Life Assurance, hold 600,000 Ordinary (8.6 per cent.).

English and Caledonian Investment: Royal Insurance is owner of 764,120 Ordinary (5.3 per cent.).

Yorkgreen Investment Trust: Pension Funds Securities, acting on behalf of ICI Staff Pension Fund, holds 350,000 (7 per cent.) shares.

London and Holyrood Trust: Pearl Assurance holds 110,390 5 per cent. £1 shares.

Gartons: Prudential Assurance holds 129,500 (6.29 per cent.) Ordinary.

Pyramid Group (Publishers): Scottish Amicable Life Assurance Society holds 150,000 shares.

Arthur Lee and Sons: Prudential Assurance holds 1,570,000 (5.06 per cent.) Ordinary.

Winston Estates: Eagle Star Insurance holds 19.42 per cent. Ordinary. T. S. Passmore, chairman, and family interests hold 9.38 per cent. Priestgate Trust Holdings 8.84 per cent. and R. J. Flatau holds 5.78 per cent.

Stothert and Pitt: Lancashire and London Investment Trust holds 19,101 5 per cent. Cum. Pref. shares.

Bernard Wardle: Throgmorton Trust holds 1,000,000 Ordinary shares (5.58 per cent.).

Drayton Commercial Investment: Royal Insurance holds £80,000 [illegible] Pref. stock (5.52 per cent.).

Lancashire and London Investment Trust: Pearl Assurance holds 200,000 Ordinary shares.

AVP Industries: Norwich Union Insurance Group subsidiaries' interests: Norwich Union Life Insurance Society 570,000 (3.0 per cent.). Norwich Union Fire Insurance Society 130,000 (0.74 per cent.). Norwich Union Insurance Group (Pensions Management) 265,000 (11.4 per cent.) Norwich Union Group Trust 350,000 (1.8 per cent.). Norwich Union Group Holding is registered in the name of unit trust nominees of account.

Finance For Industry: Mr. E. L. G. Robbins holds £4,000 13 per cent. Unsecured Loan stock 1981.

Crossley Building Products: Prudential Assurance holds 411,838 Ordinary shares (6.11 per cent.).

B. S. and W. Whiteley: Prudential holds 275,062 Ordinary (6.99 per cent.).

Estates Duties Investment Trust: Commercial Union Assurance holds 935,000 Ordinary (6.52 per cent.).

Yeoman Investment Trust: Prudential Assurance holds 520,000 Ordinary (5.83 per cent.). Practical Investment Fund holds 588,280 Ordinary (9.66 per cent.).

Transatlantic and General Investments: USF nominees holds 260,000 (12.918 per cent.).

Austin Reed Group: Mr. D. M. Anderson, a director, states that on April 19, his wife bought 500 Ord. shares at 53p each.

Temple Bar Investments: London and Manchester Assurance is interested in 473,500 Ord. shares (7.92 per cent.).

London and Lennox Investment Trust: Commercial Union Assurance holds 420,000 shares (5.5 per cent.).

Hume Hldgs.: London and Manchester Assurance is interested in 1,355,010 Ord. (5.66 per cent.).

Attock Petroleum: Jon King Commodities holds 281,000 Ord. (7.5 per cent.).

Watham's Atlas Electric and General Trust holds 219,450 Ordinary (9.975 per cent.).

Watsham's: Sphere Investment Trust holds 211,500 Ordinary (9.61 per cent.).

United Spring and Steel Group: Imperial Group holds 362,500 Ordinary (5.78 per cent.) and Throgmorton Trust holds 498,750 Ordinary shares (5.12 per cent.).

Dominion and General Trust: Pentland Investment Trust holds £34,000 5 per cent. Cumulative Preference stock.

Laporte Industries Holdings: Avon Insurance holds 14,000 7½ per cent. Cumulative shares.

Carliol Investment Trust: London and Manchester Assurance, their subsidiaries and nominees hold 1,439,436 shares (14.38 per cent.) and 70,000 Preference shares (7 per cent.).

East Lancashire Paper Group: Mentieth Investment Trust holds 845,000 Ordinary.

William Boulton Group: Throgmorton Trust holds 1,310,785 Ordinary (5.14 per cent.).

London and Strathclyde Trust: Standard Life Ass. Company beneficially holds 1,100,000 (7.6 per cent.) Ord. shares.

Courts (Furnishers): Friends' Provident Life Office holds 90,000 shares (5 per cent.). H. M. Cohen holds 94,080 (5.23 per cent.) and H. A. E. Trustees holds 281,509 (15.6 per cent.).

David Dixon and Son: Directors holdings in Ordinary shares are: R. A. Palfreyman 15,565 (0.76 per cent.), H. Turpin 125,500 (6.13 per cent.), F. E. Winfield 25,333 (1.24 per cent.) and M. W. Hunt 5,000 (0.24 per cent.) Mr. Turpin also holds 20,000 Pref shares (38.52 per cent.).

Coats Paton: Prudential Ass. 15,505,579 (5.6 per cent.) Ordinary shares.

Lyndale Engineering: County Bank holds 215,997 (5.4 per cent.) Ord. shares.

Thomas Jourdan: Mr. J. P. Horner, a director, has sold 3,000 shares.

F. J. C. Lilley: Prudential Assurance holds 574,537 (5.35 per cent.) Ord. shares.

London and European Group: Monarch Assurance Company holds 595,000 (6.43 per cent.) Ordinary shares.

Hardys and Hansons: Britannic Assurance Company holds 399,800 (9.99 per cent.) Ordinary shares and Whitbread Investment Company holds 256,500 (6.4 per cent.).

Berry Trust Company: Edinburgh Investment Trust holds 1,000,000 (6.57 per cent.) Ordinary shares. Mr. A. Berry, a director, and others hold 976,223 (6.42 per cent.) and Abbey Life Assurance Company holds 800,000 (5.26 per cent.) shares.

Ashdown Investment Trust: Pearl Assurance Company beneficially holds 601,062 Ordinary shares (6.2 per cent.).

Crossfriars Trust: Pearl Assurance Company holds 875,000 Ordinary shares. Mr. R. Berry, a General Assurance Company holds 560,880 Ordinary shares.

Fledgling Investments: British Investment Trust holds 525,000 Ordinary shares.

British Home Stores: Pearl Assurance Company holds £20,000 7 per cent. cumulative Preference stock (5 per cent.) and National Farmers Union Mutual Insurance Society holds £28,000 7 per cent. cumulative Preference stock (7 per cent.).

Foden: Convertible Redeemable Cumulative Preference shares: Britannic Assurance Company holds 192,052 (6.058 per cent.), ITC Pension Trust, jointly with ITC Pension Investments holds 408,105 (12.88 per cent.) and London Life Association holds 180,000 (5.68 per cent.).

Scottish National Trust Company: Equity and Law Life Assurance Society holds 1,732,500 (5.48 per cent.) Ordinary shares and London and Manchester Assurance Company holds 94,500 6 per cent. Cumulative Preference stock (6.3 per cent.).

Francis Industries: John James Group of Companies holds 47,690 Cumulative Preference shares (23.8 per cent.) and Jove Investment Trust holds 30,500 Cumulative Preference shares (15.25 per cent.).

Braby Leslie: British Empire Securities and General Trust holds 13,000 8 per cent. Cumulative Preference shares.

Fourth City and Commercial Investment Trust: K. R. Colman holds 32,015 (5.66 per cent.) Ordinary shares.

Thomas Robinson and Son: ITC Pension Trust, jointly with ITC Pension Investments holds 360,000 Ordinary shares and Outwich Investment Trust holds 258,333 Ordinary shares.

Matthew Brown and Co.: Britannic Assurance Company holds 1,400,000 (8.28 per cent.) Ordinary shares.

K Shoes: Prudential Assurance Company holds 766,044 (5.10 per cent.) Ordinary shares.

British Industries and General Investment Trust: Jove Investment Trust holds £27,000 5 per cent. cumulative preference stock (8.99 per cent.).

Dualvest: The trustees of the National Coal Board Staff Superannuation Scheme and the trustees of the Mine Workers Pension Scheme together hold 805,000 income shares (8.4 per cent.).

Watsham's: Esso Pension Trust holds 140,500 (6.39 per cent.) ordinary shares.

Wolf Electric Tools (Holdings): ICI Pension Funds Securities holds 570,000 (6.63 per cent.) shares.

William Ransom and Son: Scottish American Investment Company holds 149,000 (9.93 per cent.), Britannic Assurance Company holds 105,000 (7.01 per cent.) and G. S. Ransom holds 137,500 (0.19 per cent.) ordinary shares. Mr. J. W. H. Chappelle has sold 884 ordinary shares.

Fundinvest: London and Manchester Assurance Company and its subsidiary, Welfare Insurance Company together hold 785,000 (7.06 per cent.) income shares, and the trustees of the National Coal Board Staff Superannuation scheme and the trustees of the Mineworkers Pension Scheme together hold 1,100,183 (0.9 per cent.) income shares.

Drayton Commercial Investment Company: Pearl Assurance Company holds 1,291,185 ordinary shares (5.59 per cent.).

City and Commercial Investment Trust: London and Manchester Assurance Company and its subsidiary Welfare Insurance Company hold 1,339,105 income shares (5.75 per cent.).

Trinivest: Trustees of the National Coal Board Staff Superannuation Scheme and the trustees of the Mine Workers Pension Scheme and the trustees of the National Insurance (Industrial Injuries) Colliery Workers Supplementary Scheme together hold 1,678,500 income shares (6.99 per cent.).

Strong and Fisher (Holdings): ITC Pension Trust jointly with ITC Pension Investments holds 375,000 Ordinary shares.

East Rand Consolidated: Rhodesian Corporation holds 1,262,356 (9.92 per cent.) shares and Mr. N. H. Marshall holds 1,000,000 (7.85 per cent.) shares.

Jove Investment Trust: Lawson High Yield Fund holds 227,300 Income shares (6.24 per cent.).

Meat Trade Suppliers: Mr. J. N. Anstis, a director, has purchased 10,000 Ordinary shares.

Greenfield Milletts: D. S. Greenfield, a director, has sold 16,000 shares.

Thomas Locker (Holdings): Miss B. M. Pitchford holds 705,250 Ordinary shares (7.05 per cent.).

Jonas Woodhead and Sons: Norwich Union Insurance Group holds 388,759 (8.54 per cent.) shares and Prudential Assurance Company holds 462,354 (6.7 per cent.) shares.

Birmingham Pallet Group: Imperial Group and ITC Pension Trust jointly with ITC Pension Investments hold 60,000 Ordinary shares (5.88 per cent.).

Jos Holdings: Equitable Life Assurance Society holds 407,000 (9.91 per cent.) Ordinary shares.

Charter Trust and Agency: Equity and Law Life Assurance Society holds 2,150,000 Ordinary shares (5.8 per cent.).

London Prudential Investment Trust: London and Manchester Assurance Company holds 360,961 Ordinary shares (6.16 per cent.).

Bambergers: Royal London Mutual Insurance Society holds 563,900 Ordinary shares (5.8 per cent.).

United Tin Areas: East Rand Consolidated holds 83,500 (9.98 per cent.) shares.

BIDS AND DEALS

100p offer for Land & House

Friends' Provident Life Office is making an agreed cash bid for Land and House Property Corporation. The mutual life assurance group is bidding 100p per Ordinary share, valuing the property company at £9.5m.

The Board of Land and House, which with family stakes represents 27.3 per cent. of the equity, is recommending the bid. General Accident Fire and Life Assurance Group, holding 12.5 per cent., also intends to accept.

Friends' Provident and its pension fund already owns 5.8 per cent., so that the bid is agreed by holders of 45.6 per cent. of the equity. In addition the General Accident Pension Fund owns 2.8 per cent.

Friends' Provident said yesterday that its intention was to add around £40m. in gross assets to its present £70m. to £80m. property portfolio at a time when it felt prices in the direct property investment market were often too high. It expected to dispose of much of Land and House's overseas portfolio if the bid went through.

The recommendation for the bid from the Land and House Board comes despite net assets of 165p shown in the last balance-sheet. Mr. Robin Tomkins, managing director, said the reasons for considering the offer "fair and reasonable" would be put soon in a letter to shareholders.

The Board is likely to stress its problems with foreign currency borrowings of over £14m., and continuing difficulties with developments in Frankfurt (in a joint company with Lynton Holdings) and in Brussels. At the year-end in September, total short-term debt totalled £15.8m. and there were long-term loans of £5.7m.

Friends' Provident has granted the group mortgages totalling £3.3m. at rates between 8½ per cent. and 8 per cent., repayable at 2001 and later. It stressed yesterday that it had no further lending commitments to Land and House and that the bid was not intended as a corrective to this cheap lending.

After transfers from reserves totalling £352,000 to cover development interest and cost in withdrawing from Australia, the after-tax profit declared was £406,760. Net revenue pre-tax was £282,726, and improvement from £142,779 in 1975.

Arrival of the bid yesterday morning triggered off the first temporary suspension of share dealings as outlined by the Stock Exchange and Takeover Panel earlier this month to prevent speculative and insider dealing immediately before bid announcements.

Land and House requested suspension when the Market opened. Its shares stood at 80p. Dealings resumed two hours later, after the terms had been announced.

Terms of the bid include 25p cash for each 3.15 per cent. Preference share. Holders of the 50p Ordinary shares would be entitled to receive an interim dividend of 2.0p per share net to be declared for the year to September upon the offer becoming unconditional. Preference holders would be entitled to receive normal dividend of 0.7875p due on July 1, 1977.

The directors of Land and House have been advised by J. Henry Schroder Wagg and Friends Provident by Lazard Brothers.

BP BUYING REST OF EOS

British Petroleum and Emerald Offshore Services have agreed terms for the acquisition by BP for £1.5m. of the shares which it does not already own.

BP already owns 45 per cent. of EOS and it is proposed that it should acquire the balance of 1,795,004 ordinary shares at 85p each.

EOS is an unlisted company whose principal operating subsidiary is Strongwork Diving (International) which is engaged in the provision of underwater engineering services to the civil engineering and offshore oil and gas industries.

BRIDGEWATER TO PAY MORE

Bridgewater Estates, currently fighting off an unwelcome 200p a share bid from Rothschild Investment Trust, has gained Treasury approval to a dividend payment of up to 19p net for 1977—an increase of over 47 per cent.

In a letter urging rejection of the offer from RIT, which already holds 15.35 per cent., Mr. Peter Kershaw, chairman of Bridgewater, says that it is misleading of RIT to compare the updated valuation of the company's estate with that obtained in December 1972 because disposals and developments of properties have produced profits of £1.22m., in addition to rental income of £718,000.

Mr. Kershaw also says that the question of capital gains tax and corporation tax on the sale of the company's assets is irrelevant "since a large-scale disposal of assets is not your Board's policy." He adds that Bridgewater's potential liability to development land tax on land granted planning permission is negligible.

The offer, having attracted acceptances of only 0.03 per cent. has been extended by RIT to April 29.

MANCHESTER GARAGES

MANCHESTER GARAGES has sold its Wilmslow premises, Mr. R. A. Stoodley, chairman, told the annual meeting. The release of capital, he said, would go a long way towards defraying monies borrowed for the purchase and development of the new truck centre at Gorton, Manchester, which was already operating profitably.

The group was well in profit over and above the figure at this time last year and he hoped the trend would continue.

EIH offer to holders

Edinburgh Industrial Holdings is to make an open offer to shareholders of 800,000 shares at 12½p, in line with the resolution passed at the EGM on April 7, which also sanctioned the placing of 2.5m. shares at 12½p with clients of A. J. Bekbor, the company's stockbrokers.

The offer excludes participants of the original share placement. Excess applications will be scaled down but the balance of any shortfall will not be issued as the offer will not be underwritten.

New shares will rank in line with other shares, the provision that they should be held for at least 18 months has been dropped.

The offer will be subject to shareholders' approval and neither the directors nor the original placea will vote on the issue.

Further details will be issued with the accounts for the year ended October 31, 1976, during the month of June.

Benefits of the measures taken have yet to flow through to profitability. This, combined with an apparent recession in the fitted kitchen market, has resulted in continuing losses in the first quarter of 1977, but an improvement in the position is expected towards the latter half.

LOW & BONAR

The offer by Low and Bonar Group to acquire the capital of Craiks has been accepted in respect of 74,738 shares (93.4 per cent.) and has become unconditional. It will remain open, but the cash alternative is closed.

E. C. CASES

In a circular to shareholders of E. C. Cases giving details of the acquisition of Multyflex (IMC), the directors state that the delay has been caused by the considerable difficulty in reconciling the accounting records of Multyflex.

Heavy losses were incurred throughout the first half of 1976 but E. C. Cases has made a large capital investment in Multyflex and a system of financial control has been installed. Losses incurred during the period of reorganisation in the half-year since the acquisition have, nevertheless, been significant and are provisionally put at £164,000.

Moreover, the measures so far

LEVERS OPTICAL TRANSACTION

Levers Optical has disposed of its wholly-owned retail subsidiary Gasson (Opticians) to Clement Clarke Opticians for a nominal consideration. The purchasers have taken over all the liabilities, the main effect of which will be to reduce group overdrafts by approximately £90,000. This subsidiary was accounting for two-thirds of the group's losses.

Further consideration estimated at a maximum of £22,500 may also accrue. The purchasers have agreed that the new subsidiary will continue to make use of Levers manufacturing facilities and, in addition to this, the Clement Clarke group will provide Levers with considerable extra manufacturing work over the next two years.

It is also announced that Willesden Optical Works, the newly acquired manufacturing subsidiary, has recently completed a sale and lease back of its freehold property in Sheffield the price being £82,500 which is £47,500 in excess of book value. Proceeds were mainly utilised in reducing short term loans.

BROCKS GROUP

Contracts have been exchanced by the Brocks group of companies for the purchase of a freehold site on the quay in Poole, Dorset, for £92,500, to be satisfied by the issue of 231,250 shares.

The land, with 120foot frontage, has outlined planning permission for a mixed 17,000 square feet development of showrooms, offices and accommodation and will be used by the marina division.

INTL. FINANCIAL AND COMPANY NEWS

CREDIT SUISSE

Credit offered in solidarity move

BY JOHN WICKS

THE OFFER of a standby credit of Sw.Frs.3bn. to Credit Suisse in connection with the losses of the bank's Chiasso branch posed a question as to the financial health of the Zurich big bank. But Credit Suisse has said categorically that it does not need the money. It appears that the Swiss National Bank and the two other big banks wanted to show solidarity by the offer of the credit and Credit Suisse has expressed gratitude for the gesture.

It remains to be seen whether the announcement of the standby credit was not superfluous, there being no immediate requirement for the sum or anything like it. Initially, the offer would seem to have had more of a counter-productive effect in that a new and very large amount was named in direct connection with Credit Suisse.

A look at the structure of the bank certainly indicates that Credit Suisse can bear a pretty hefty jolt without really becoming financially embarrassed—always assuming that the offsetting of a large part of the sum misdirected to Liechtenstein will keep the final net loss at a manageable level.

Swiss Credit Bank—generally known internationally by its French name Credit Suisse—is one of Switzerland's big three. Established over 120 years ago in connection with the financing of the railway system, it is to-day the country's third biggest bank after Swiss Bank Corporation and Union Bank of Switzerland.

At the end of 1976 its balance sheet total was Sw.Frs.41.66bn., equivalent to some £9.6bn. The share capital stood at Sw.Frs. 890m., the statutory reserves at Sw.Frs.644m. and other reserves at Sw.Frs.1,155m. Over and above these figures there are substantial unpublished reserves.

Last year, the bank booked a record net profit of Sw.Frs.201m., from which it paid unchanged dividends of Sw.Frs.80 gross per bearer share and Sw.Frs.16 per registered share, plus half-dividends on entitled new capital. Profits were up 10 per cent. for the first quarter of 1977, it was announced yesterday, when Credit Suisse said the Chiasso affair would not alter its dividend policy.

On the capital market, Credit Suisse has eight outstanding straight-bond loans maturing between 1979 and 1983, as well as a Sw.Frs.120m. option loan dating from 1975 and maturing in 1987. It also has 15 smaller loans totalling a nominal Sw.Frs.27m. of the former Schweizerische Bodenkredit-Anstalt, Zurich, which Credit Suisse took over last year.

In 1976 the bank's Nassau subsidiary Credit Suisse (Bahamas) issued a convertible debenture loan of $100m. convertible into parent-bank shares. The parent bank also has 19 medium-term note issues worth a total of Sw.Frs.4.67bn. outstanding.

The bank operates 1[illegible] branches in Switzerland and [illegible] subsidiaries, branches and representative offices abroad. Major foreign subsidiaries include Credit Suisse (Luxembourg) with equity exceeding L.Frs.1bn. and Credit Suisse (Bahamas) with equity of $US22.2m.

Dividend rise at Hoechst Schering payout unchanged

BY GUY HAWTIN FRANKFURT, April 26.

TO-DAY HOECHST, the largest of the chemical industry's "big three," announced that it is *recommending an increase in* dividend from 1975's 14 per cent. to 16 per cent. This follows last week's statement from BASF that it was proposing an increase in dividend from 14 per cent. to 17 per cent.

In contrast, Schering — the much smaller West Berlin chemicals and pharmaceuticals group — has announced that it will recommend an unchanged 20 per cent. dividend for 1976. Admittedly a 20 per cent. payout is about as high as most West German companies are prepared to go for their shareholders and nobody is likely to be disappointed with the dividend.

Schering's 1976 earnings have not shown the huge improvement of the sort reported by the chemicals majors, nor did turnover rise as dramatically. But although earnings slid in 1975, they fell far less sharply than those of the large concerns, while sales continued upwards, instead of dropping sharply.

According to the statement from the Schering supervisory board balance sheet profits totalled DM44.73m. in 1976 compared with the previous year's DM43.97m. (figures directly comparable with those of the "big three" will not be available until the concern publishes its balance sheet).

Hoechst, the annual meeting of which takes place on June 7, announced the dividend increase proposal following an increase in the parent's net earnings from 1975's DM238.9m. to DM368.1m. (£90.4m.). The dividend of DM8 per DM50 nominal share will push up distributed profits from DM238m. to DM286.7m. At the same time DM81.4m. will be allocated to reserves compared with nothing the previous year.

Doubts on W. German rates

BY ADRIAN DICKS BONN, April 26.

INTEREST RATES in West Germany could show a slight increase towards the second half of this year, but the scope for movement may even then be limited to as little as half a percentage point, Dr. Johannes Voelling, deputy chairman of Westdeutsche Landesbank, said here to-day.

He said there appeared to be no clear indication of whether interest rates had reached their lowest point, but no greater evidence of any lasting recovery.

Crucial for the development of real interest rates — which Dr. Voelling said were around 2 per cent. for 5-year money and 2.5 per cent. for 10-year money — would be the profitability of industry. If this continued to decline, lenders would have to resign themselves to moderate rate of return on capital. Meanwhile, even the slightly firmer trend in interest rates that he considered possible in the second half of this year would depend on a recovery in foreign demand for West German exports and in a recovery in private consumption.

Speaking on the occasion of the Bank's annual report, Dr. Voelling said it had strengthened its market position in the international loans business, at the same time that the Euro-markets as a whole had shown increasing interest in long-term, fixed interest Deutschemark credits.

Last year, Westdeutsche Landesbank managed 28 Euro-credit operations, and either managed or co-managed 91 Deutschemark loans, private placements and foreign currency loans. It participated in underwriting a further 194 operations.

The bank's chairman, Herr Ludwig Poullain, summed up 1976 as a satisfactory year, although a 60 per cent. increase in tax liabilities brought its profit down by 45 per cent. from DM166m. to DM121m. The balance sheet total increased by 6 per cent. to DM67.7bn., while the total volume of business, including liabilities against guarantees and trust business, topped the DM100bn. level for the first time to reach DM100.6bn.

Dr. Poullain stressed that while business during 1977 was also expected to develop favourably, growth might once again, as it had been in 1976, turn out to be more a matter of quality than of quantity.

Commission hearing on Montedison

By Paul Betts ROME, April 26.

THE CONTROVERSIAL Montedison affair is about to enter officially into the political arena when an Italian parliamentary budget commission starts a hearing this week on the future of the giant Milan-based chemicals and textiles conglomerate.

This follows the decision of Montedison's chairman, Sig. Eugenio Cefis, to resign from the company which he has headed for the past six years.

The parliamentary hearing is expected to result in an underground political battle between the ruling Christian Democrat Party which, like Sig. Cefis, wants to preserve the "private" character of the conglomerate, and the powerful Italian Communist Party, which has openly stated that it wants all public shareholdings in Montedison, which are currently controlled by the two state holding companies, ENI and IRI, grouped together in a new state agency to be known as Egemont.

The setting up of such an agency would effectively be the first step towards the formal nationalisation of the chemicals group, Italy's second largest enterprise after the Agnelli Fiat concern with a workforce of nearly 150,000 people, a turnover of about L5000bn. and which currently has accumulated debts totalling L2800bn.

The resignation of Sig. Cefis has been widely regarded as a personal defeat. Sig. Cefis, in effect, failed to get Parliament last year to pump in some L.600bn. (about £400m.) of new funds into Montedison to consolidate the group's debts and guarantee its ambitious programme of investments.

AMERICAN NEWS

Deadline for Mobil offer

NEW YORK, April 26.

THE JAMES IRVINE Foundation has given Mobil Corporation until Friday to submit a new offer for Irvine Company higher than the $302.9m., or $36 a share, offer of Taubman-Allen-Irvine Inc.

But if Mobil submits a higher offer, the Taubman group will be given a chance to outbid Mobil. The James Irvine Foundation, Irvine Company's majority owner, had planned to seek court approval yesterday of the Taubman group bid.

In giving Mobil until Friday to make a new offer, the foundation rejected the company's request that Irvine delay a decision on the Taubman offer for three months.
Reuter

Shell Oil reports profits fall

SHELL OIL Company yesterday joined several other major oil companies — including Exxon, the world's largest — in reporting lower profits for the first quarter of the year.

The company's net earnings were reduced 16 per cent., to $169m., from $202m. in the same period last year.

But, reflecting a sharp division of oil company experience, increased profits for the first quarter have been reported by a number of major companies, including Atlantic Richfield (ARCO), where a rise approaching 9 per cent. in net profits, to $145.3m., from $133.7m., was partly due to January's merger with the Anaconda Company.

Increased profits at ARCO, Amerada Hess, Standard Oil (Indiana) and Getty Oil, contrast with the lower profits reported recently by Gulf and Standard Oil of Ohio.

Particularly sharp gains were seen at Amerada, where net earnings rose 60 per cent., to $70.9m. from $44.2m. in the same period last year, and at Getty, where a rise of 42 per cent., to $81.8m. from $57.6m., was associated with the start of crude oil sales from the Piper field in the British sector of the North Sea, "improved domestic marketing" and higher natural gas prices.

Standard Oil Indiana's net profit was 15 per cent. up, at $244.2m., against $212.3m. The gain came in spite of the company's inability to recover in full the higher costs of imported crude, higher distribution and manufacturing expenses resulting from the abnormally severe winter, and lower chemical earnings.

On the favourable side the company said, were "improved foreign downstream operations, increased overseas production of crude oil, natural gas liquids and natural gas, and higher domestic natural gas prices."

In the first quarter of 1976, net earnings included a charge of $57m. for estimated costs associated with the suspension of a joint-venture copper project in Zaire.

Subpoenas on three New York City banks

A LEGISLATIVE committee said it has served subpoenas on three major New York City banks for their trading records in City notes during the period before the city's fiscal crisis of 1975 became public information.

The banks are Chase Manhattan, Citibank and Bankers Trust.

The assembly Banking Committee, which is conducting the investigation, has granted a fourth bank, Morgan Guaranty Trust, an extension of time to comply voluntarily.

Committee chairman Mr. George Ciocotta, a Brooklyn Democrat, said the probe was the result of public hearings at which investors testified they had been advised by some bank personnel that City notes were a good investment.

The committee is also looking into allegations that some of these financial institutions were serving as advisers to the city on its financial affairs at the time.

A separate investigation is being conducted by the Securities and Exchange Commission.
Reuter

Hudson's Bay earnings rise

HUDSON'S BAY Oil and Gas Company Limited reported consolidated net earnings for the first quarter of 1977 of $26.1m., or $1.38 per common share, [illegible] than $21.2m. or $1.12 per common share earned during the same period in 1976.

Funds generated from operations rose 29 per cent. to $44.6m., or $2.36 per common share compared with $34.7m. or $1.83 per common share during the first quarter of last year.

The company reported that crude oil production averaged 61,673 barrels per day for the quarter, an increase of 13,[illegible] barrels per day or 28 per cent. Most of this gain was attributable to production from the [illegible] properties acquired late last year.

Production of natural gas liquids dropped by 6 per cent. to 23,167 barrels per day due to declining liquid content of natural gas processed at Kaybob South plants and low demand for sales gas at Brazeau and Caroline plants. Natural gas sales averaged [illegible] million cubic feet per day, a decline of 4 per cent.

The company's aggressive exploration and development programme is reflected in first quarter results. Petroleum capital expenditures and exploration expenses, exclusive of adjustment to a prior year transaction, were $28.5m., an increase of $3.8m. over the first quarter of last year.

This higher spending level is attributable to significant increases in domestic exploration and development drilling and seismic activity. During the three months of 1977, the company participated in the drilling of 44 gross exploratory wells of which 16 were completed as natural gas discoveries or extensions and one as an oil discovery. Development drilling also increased significantly with participation in 142 wells during the quarter.

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Alcan Australia 8½pc 1989	100¾	101¼
Australia 8½pc 1991	103½	104
Bowater 9½pc 1986	105	105½
Can. N. Railway 8½pc 1986	101	101½
Credit National 8½pc 1986	99½	100¼
Denmark 8½pc 1984	101½	102
ECS 8½pc 1986	104¼	105
EIB 8½pc 1986	101	101½
EMI 8½pc 1989	100¾	101½
ERAP 9½pc 1985	104	104½
Ericsson 8½pc 1989	100½	101¼
Esso 8pc 1986 Nov.	104¼	105
Eurofima 8½pc 1983	102¼	103¼
Granges 8½pc 1985	102½	103½
Gt. Lakes Paper 8½pc 1984	101	101½
Hamersley 9½pc 1992	103¾	104½
ICI 8½pc 1987	99	99½
ISE Canada 9½pc 1986	105½	106½
Macmillan Bloedel 9pc 1992	102¼	103
Massey Ferguson 9½pc 1991	103¾	104½
Michelin 9½pc 1988	103½	104½
Midland Int. Fin. 8½pc 1986	101½	102
MODO 9pc 1986	100¾	101
Nat. Westminster 9pc 1986	103½	104½
Newfoundland 9pc 1989	102½	103¼
Norges Kom. Bk. 8½pc '91	99	99½
Norpipe 8½pc 1989	99¾	100½
Norw. Hydro 9pc 1991	102½	103½
Norsk Hydro 8½pc 1992	98½	99½
Oslo 9pc 1988	102¼	103¼
Ports Autonomes 9pc 1991	100½	101
Prov. Quebec 9pc 1984	102½	103½
Quebec Hydro 8½pc 1986	99½	100
Prov. Saskatch. 8½pc 1986	102¼	103
Skand. Enskilda 9pc 1991	102½	103½
SKF 8pc 1987	98½	99
Volvo 8½pc 1985	106	106½
Volvo 9pc 1987 March	97½	98
NOTES		
Australia 8½pc 1987	102	103½
Australia 8½pc 1985	102¼	103
Bell Canada 7½pc 1987	99½	100

	Bid	Offer
Dow Chemical 8pc 1986	102¼	103¼
ECS 7¾pc 1993	98	99½
EEC 8½pc 1992	102	102½
Enso Gutzeit 8½pc 1984	98	98½
Gotaverken 8pc 1982	101½	102
Hitachi Shipbldg. 7½pc 1984	97½	98½
Kockums 8pc 1983	100½	101
Michelin 8½pc 1993	101½	102½
Montreal Urban 8½pc 1981	101½	102½
Nat. Coal Bd. 8½pc 1981	101½	102½
New Bruns. Prov. 8½pc '83	103½	104½
New Zealand 8½pc 1986	100½	101½
Nippon Fudosan 8pc 1981	100	100½
Ontario Hydro 8pc 1987	99½	100½
Singer 8½pc 1992	101½	102½
S. of Scot. Elec. 8½pc 1981	101	101½
Swedish State Co. 7½pc '82	99½	100½
Venezuela 8pc 1984	98½	99
FLOATING RATE NOTES		
BNP 5½pc min. 1983	98½	99½
Bk. Tokyo Hg. 6½pc min. '81	101	101½
Creditanstalt 7pc min. 1981	101¼	101¾
GZB 6pc min. 1983	98½	99½
IBJ 6pc min. 1982	99½	100
Int. Westmstr. 6pc min. '84	99¼	99¾
Lloyds 7½pc min. 1983	101½	102½
LTCB Japan 6½pc min. '81	100½	100¾
Midland 6pc min. 1987	98½	99½
Wms. & Glyns 6½pc min. '84	100½	100¾
D-MARK BONDS		
Austria 6½pc 1983	100½	101
Beecham 6pc 1993	103½	104½
Bergen 7½pc 1990	103	103½
OFCE 7pc 1987	99½	100½
EIB 6½pc 1984	100½	101½
ICI 7½pc 1983	103	104
New Zealand 7½pc 1986	104½	105½
Norway 6½pc 1982	101½	102
Shell 6½pc 1989	103½	104
Statsforetag 7pc 1985	100½	101½
World Bank 7pc 1987	101	101½

Source: White Weld Securities.

CONVERTIBLES	Bid	Offer
American Express 4¼pc '87	83	85
Ashland 5pc 1988	93½	95½
Beatrice Foods 4½pc 1992	96	98
Beatrice Foods 4½pc 1991	104	105
Borden 5pc 1992	101	103
Broadway Hale 4½pc 1987	76½	78½
Canon Camera 7¼pc 1989	205	
Carnation 4pc 1987	83½	84½
Chevron 5pc 1988	123	125
Dart 4½pc 1987	77	79
Eastman Kodak 4½pc 1988	95½	97½
Economic Labs. 4½pc 1987	80	82
Fed. Dept. Stores 4½pc '85	95	100
Firestone 5pc 1988	84	86
Ford 6pc 1986	97	99
Ford 5pc 1988	86	88
General Electric 4¼pc 1987	84	86
Gillette 4¾pc 1987	79	81
Gould 5pc 1987	125	127
Gulf and Western 5pc 1988	83	85
Harris 5pc 1992	117	119
Honeywell 6pc 1986	93½	95½
ITT 4½pc 1987	82½	84½
Komatsu 7½pc 1990	107½	108½
J. Ray McDermott 4¾pc '87	147	149
Mitsubishi Elec. 7½pc 1991	128	130½
Mitsui 7½pc 1990	110½	112½
J. P. Morgan 4½pc 1987	98	100
Nabisco 5½pc 1988	97½	99½
Owens Illinois 4½pc 1987	122	125
J. C. Penney 4½pc 1987	79	81
Pioneer 6pc 1988	209	
Raymond 8½pc 1993	125	127
Revlon 4½pc 1987	112	114
Reynolds Metals 5pc 1988	97	99
Sperry Rand 4½pc 1987	97½	99½
Squibb 4½pc 1987	77	79
Texaco 4½pc 1988	81	83
Toshiba 6½pc 1993	111½	113
Union Carbide 4½pc 1982	102	104
Warner Lambert 4½pc 1987	82	84
Warner Lambert 4½pc 1988	76½	78½
Xerox 5pc 1988	79	81

Source: Kidder, Peabody Securities.

Euroloan guarantee for Egypt criticised

BY FRANCIS CHILES

THE CENTRAL BANK of Egypt yesterday signed a seven-year $250m. loan agreement with a group of international banks led by Chase Manhattan Ltd. The syndicate includes leading banks from Europe and the Middle East but very few from the U.S.

The rate of interest is 1 per cent. over Libor and the loan carries a guarantee of the Republic of Egypt and also that of the recently formed Gulf Organisation for Development in the Republic of Egypt (GODE) whose shareholders are the Governments of Saudi Arabia, Kuwait, Qatar and the United Arab Emirates. GODE was created in 1976 by the four Governments which have subscribed $2m. to it to date. This represents the first Euroloan for Egypt guaranteed by GODE. Egypt's Deputy Prime Minister, Dr. El Koussouni, said that it was unlikely that there will be another loan of this type in 1977.

This loan has been on the stocks since last October and a number of U.S. banks more legalistically minded than European ones are known to have declined to join the syndicate. It was stressed at yesterday's Press conference that the loan was oversubscribed, although no precise figure was given. But some U.S. banks believe that the guarantee is not good enough.

It is understood that this loan is subject to the laws of England. Herein lies the problem: English law permits a sovereign borrower to claim immunity but in contracts, which they enter into, banks usually ask the country they are lending to to waive that immunity. If, however, difficulties between borrower and lender develop at a later stage, solicitors might well decline to give an opinion on the effectiveness of that contractual waiver because of the principle of English law.

Thus the value of the sovereign guarantee is not absolute and similar uncertainties might bedevil the guarantee of organisations such as GODE.

Such doubts resulted last January in a proposed $500m. loan to the supranational Comecon Bank IBEC not being consummated.

But Sheikh Abdul Aziz Al Du Kheil, Deputy Minister of Finance and National Economy of Saudi Arabia and Chairman of the Board of Executive Directors of GODE, discounted such fears and insisted there was not the slightest chance of GODE not meeting its obligations.

Change in investment rules to limit institutional strategy

BY OUR OWN CORRESPONDENT JOHANNESBURG, April 26

IN LAST month's budget South Africa's Finance Minister Owen Horwood, was forced to raid the country's savings institutions for additional funds in his attempt to avoid increasing either corporate or personal taxation. Of the total R760m. income that he expected to raise from these sources, R120m. will be tapped from the banks and R120m. from the building societies, leaving R520m. to be invested by the life offices and pension funds.

The institutions have now had the opportunity to digest the full implications of the new requirements and the consensus of opinion is that there will not be much left out of cash flows for discretionary investment in property and equities. Pension funds are required to increase their investment in prescribed securities from 52 per cent. to 55 per cent. of their liabilities as at the end of March 1978. Of the 55 per cent., a half must be invested in government stock and half in other prescribed securities such as public corporation and municipal stocks.

In the case of life offices the additional required investment is from 32 per cent. to 35 per cent. of their end-March 1978 liabilities. The institutions will have to make the new investment at the rate of an additional 1 per cent. of their liabilities each quarter starting at end-September.

As these additional investments will have to be made out of cash flows, the amount available for property and equities will remain severely restricted. However the crucial question is whether there will be more or less available than last year when the institutions were also used as a captive market and were requested to increase their investment in prescribed securities by 2 per cent. of their total liabilities.

The decisive factor is the rate of growth of the life assurance and pension fund industries as a whole. In the case of the pension fund movement, the contracting economy added to withdrawals by the growing number of workers becoming redundant are making earlier forecasts appear optimistic. However, the pension fund movement still expects to have about the same gross amount available for discretionary investment as last year. But it is the life offices who are currently depressed about the extra 3 per cent. requirement. The Old Mutual, for instance, believes that the State has underestimated the likely growth rate of the life industry and could find itself pulling in substantially more funds than the budgeted requirement with a consequently more severe effect on discretionary cash flows than originally contemplated.

Faced with these heavy commitments to invest in prescribed securities, the institutions have rushed to invest in the latest Escom stock which carries a 12.45 per cent. coupon on the 10-year portion of the stock. Originally Escom were seeking R40m. from the public but to-day indicated that it would accept up to R60m. Indications are that even at this level the issue will be oversubscribed and that the slight drift in interest rates could continue though few underwriters believe that rates will come off much more than 0.5 per cent.

A portion of the Escom issue is for five-year stock carrying a coupon of 12.15 per cent. securities rand which currently is standing at a 41 per cent. discount to the official exchange rate can be used to take up this short-dated stock. At the end of the period, these funds become freely remittable. Although the potential investor is at risk for a rand devaluation over the five-year life of the stock, the issue has already attracted at least R10m. of inquiries.

Although the topping out of long-term interest rates should bode well for the equity market this is probably more than offset by the greater strain being placed on institutional cash flows than originally expected and share prices can be expected to continue bumping along at the current depressed levels. The price earnings ratio of the RDM 100 industrial index is a pathetic 2.8 and the dividend yield 12.6 per cent.

Major disposal made by Unisec

BY OUR OWN CORRESPONDENT JOHANNESBURG, April 26.

UNISEC, the large investment holding company formed from the merger of Slater, Walker Securities (SA) and the Unit Securities group of investment trusts, has pulled off another major cash disposal. It has sold its 56 per cent. interest in Hortors, South Africa's largest printing group, to an unnamed consortium for 407 cents cash. Though the price was some way below Hortor's asset value the consideration represented nearly two and a half times the ruling market price immediately prior to the deal.

Unisec has held a substantial portion of its net assets in cash form ever since it de-geared itself near the top of the market. Recently it had started slowly to accumulate top class listed equities and the cash content had slipped to around 15 per cent. of net assets at the end of December. The disposal of Hortors will bring in a further R4.3m. and take the cash content back to over 20 per cent. of net assets which total approximately 150 cents a share.

That Unisec was able to find itself a buyer on such advantageous terms can primarily be subscribed to the buyers being willing to commit offshore funds to South Africa and come in through the Securities Rand Market where the discount is 41 per cent. compared to the official exchange rate.

Unisec still has 3m. or 7 per cent. of its shares held in the United Kingdom. The more assets that Unisec turns into cash or near-cash, the greater the likelihood of it being on the receiving end of a bid itself. At the current price of 87 cents the shares yields a maintainable 11.8 per cent. and is at a 40 per cent. discount to net worth.

Woodside to raise $48m. by rights

BY OUR OWN CORRESPONDENT

WOODSIDE PETROLEUM (formerly Woodside-Burmah Oil NL) plans to raise $A48m. for exploration funds through a one-for-three rights issue to shareholders.

The issue will involve 60m. 50 cent shares at a 30 cent premium, of which North West Shelf Development Pty is entitled to 25.6m.

North West Shelf Development (NWSD), owned equally by the Broken Hill Proprietary Co. and the Shell Oil group, has said it will take up its share of the issue for about $A20.5m.

Woodside's chairman, Mr. J. G. Donaldson told the annual meeting in Melbourne yesterday that expenditure for 1977 would exceed $A2m. a month and that cash in hand at the end of December was $A17m.

EAB assets expand by 21% to DM1.1bn.

BY GUY HAWTIN FRANKFURT, April 26

TOTAL ASSETS of the Hamburg-based Europaeisch Asiatische Bank rose by 21 per cent. last year to DM1.088bn., while the bank's business volume put on 25 per cent. to reach DM1.4bn. (£341.5m.). Despite heavy pressure on interest margins, net interest income rose 19 per cent. to DM23m. and net profits went up from the previous year's DM3.8m. to DM5.8m.

The bank, which is jointly owned by seven European banks — the Amsterdam-Rotterdam Bank, Banca Commerciale Italiana, the Creditanstalt-Bankverein of Austria, the Deutsche Bank, the Midland Bank, Societe Generale de Banque of Belgium and Societe Generale of France — is to pay an unchanged 10 per cent. dividend on the doubled DM56m. nominal share capital.

According to the bank's statement on the annual report, the bank's South-East Asia network was further extended in the first quarter of 1977. The go-ahead was given for an offshore banking unit in Manila under the Philippines new offshore banking system. At the same time the Hong Kong branch opened two new sub branches in the Kowloon business district.

Last year's increase in balance-sheet total was principally due to the marked growth of short-term commercial lending and bills discounted, said the annual report. At the same time the strong increase in business volume was largely the result of increased activities in the field of trade finance as well as the provision of guarantee facilities, such as performance bonds for large-scale projects being undertaken by major European companies in South-East Asia.

Total lending in 1976 rose by over 17 per cent. to DM845m. Project financing continued to be an important area of activity and the European Asian Finance (HK), set up by the bank and its shareholders in 1975, co-managed and participated in a number of large international loans.

Jacobs to buy shares outstanding in Vabre

BY JOHN WICKS ZURICH, April 26.

JACOBS AG, of Zurich, the international headquarters of the Jacobs coffee group, announces that it has taken over the 50 per cent. stake in Les Cafes Jacques Vabre SA, of Maisons-Alfort, formerly held by the Dutch Douwe Egberts concern. Jacobs already owned the remaining 50 per cent. of Vabre, which is France's leading coffee roaster, and had a 1976 turnover equal to a 17 per cent. share in the national coffee market.

This move ends original plans for joint expansion of Jacobs and Douwe Egberts, which in recent years had led to the creation of joint ventures in the coffee field in France, Switzerland and Denmark. Jacobs had taken over the Douwe Egberts share in the Danish company at the start of this month. Jacobs, which decided to set up an international coffee group alone after the failure of merger plans with Douwe Egberts, last year took over Nabob Foods in Vancouver and increased its capital from Sw.Frs.150m. to Sw.Frs.200m. at the end of 1976 to finance further expansion projects.

● DESPITE A further deterioration in underwriting profitability due to an increase in claims, "Winterthur" Swiss insurance company, of Winterthur, booked a rise in profits for 1976 to a net Sw.Frs.48.1m. (Sw.Frs.43.5m.). The Board recommends distribution of a dividend for the year of Sw.Frs.40 per share, compared with Sw.Frs.30 plus Sw.Frs.10 bonus for 1975.

Overall premium income went up by 4.8 per cent. last year to some Sw.Frs.1.68bn. and a rise in capital earnings cancelled out the higher underwriting loss and higher depreciation requirements.

At the same time, the affiliated Winterthur life insurance company is to pay an unaltered Sw.Frs.70 dividend and pay an increased sum of Sw.Frs.167.2m. (Sw.Frs.147.6m.) into the insureds' profit-sharing fund. It has also been decided to increase the company's capital from Sw.Frs.20m. to Sw.Frs.30m.

Dutch making new open-ended issue

By Pauline Clark

AMID A strong surge of foreign investment in the guilder yesterday, the Dutch Government announced it was to issue a new open-ended offering on the bond market with a coupon rate a full 0.25 percentage points below its previous 8½ per cent. loan traded for the first time only a week ago. With a maturity extended by five years to 20 years, strong foreign demand is clearly anticipated.

The Government's previous issue raised Fls.375m. and with strong speculation in the market yesterday that the guilder was ripe for revaluation, it was being traded about 50 cents higher than the previous day at Fls.102.30 against its issue price of par.

Another new issue for Algemene Bank Nederland—raising Fls.100m. via a capital bond at 8¾ per cent. for 20 years—was traded for the first time at Fls.102.70 against an issue price of Fls.101 per cent.

One market trader, who claimed to have sold substantial amounts to former U.S. dollar investors and particularly to West German investors yesterday, explained that speculation in the guilder had increased in momentum to the extent that some quarters believed the Government may be forced to consider a revaluation of the currency.

A further cut in the bank rate however was believed unlikely in view of the desire to see a relatively stable trend in Dutch interest rates. There were strong domestic reasons for this where lower mortgage rates in the past had contributed to a major rise in house prices.

New camera range to boost Rollei Group recovery

BY H. F. LEE SINGAPORE, April 26.

THE ROLLEI GROUP of Germany expects to turn around from the massive losses sustained over the past few years in 1978 with the introduction of a new range of cameras and consolidation of its activities in Singapore. This was disclosed by the group's chairman and chief executive, Mr. Peter Peperzak.

Although it chalked up a loss amounting to DM35m. in 1976, the group's performance was much better than expectations. Rollei had originally budgeted for a loss of some DM45m. last year on a reduced total workforce of 4,000 workers in both Germany and Singapore. However, the anticipated reduction in the workforce did not materialise and Rollei maintained its employment at 6,000 workers —4,500 in Singapore and 1,500 in Germany.

Sales turnover in 1976 also improved markedly by 18 per cent. compared to the industry's average of only 7.3 per cent.

Group turnover will rise to DM230m. this year compared to DM214m. last year while losses are expected to be trimmed to between DM10m. to DM15m.

Rollei's new camera to be introduced at the end of this year is a single lens reflex (SLR) compact with the fastest shutter speed of 1-2000 of a second.

To capture a bigger share of the far east market which Mr. Peperzak said has the greatest potential next to the U.S. market, Rollei has set up joint trading ventures in the region.

In April last year, Rollei South East Asia was set up in Singapore as a joint venture with the German trading company, Jebsen and Jessen and this made a profit and doubled sales in its first year of operation.

In January this year another joint venture again with Jebsen and Jessen became operational in Hong Kong. It also has set up a sales company in Japan.

Mr. Peperzak reaffirmed his conviction that Singapore which accounts for 80 per cent. of the group's production is an ideal choice in terms of immediate, medium and long-term planning for camera manufacturing.

The great difference in labour costs compared to Europe, as well as Japan and the U.S., was a very great help at the time of establishing manufacturing capabilities, he said. On a long-term basis wages will increase, he added.

However, this will be more than offset by the improved productivity and technical expertise of the workers here who are constantly undergoing training at the technical training centre. Made in Singapore Rollei products, he said, have been gaining and will continue to gain increasing consumer acceptance for their high standards.

Supermarkets' profits rise

BY OUR OWN CORRESPONDENT TOKYO, April 26.

JAPAN'S FOUR biggest supermarket chains achieved considerable profit gains in the 12 months ending February 1977. The gains were attributed, however, to a reduction in personnel costs and in interest payments. All the chain store groups except Jusco failed to meet their sales targets, the failure being attributed to sluggish domestic consumer spendings.

According to financial statements released to-day, Jusco Co. recorded the largest gains in both profit and sales. Net profit rose 38 per cent. to Y3.48bn. Sales reached Y301.54bn., up 25 per cent.

Dai'ei Inc, the nation's largest chain store, increased its net profit by 17 per cent. over the year to Y4.94bn. and achieved a 12 per cent. sales gain to Y788.49bn.

Seiyu Store Ltd., the second largest chain, increased its net profit 37 per cent. as a result of profitable clothing sales at its newly opened bigger shops.

Except for Dai'ei Inc, all three chain store groups managed to reduce their interest payment burden. Seiyu twice issued overseas convertible debentures and equities in the domestic market. Jusco issued European Depositary Receipts as well as domestic equities. Nichii Co., registered a 35 per cent. increase in its net profit by improving its merchandising system.

Dai'ei Inc plans to open seven to 10 shops in the next 12 month (eight in previous terms). Seiyu store also plans to open seven to eight and Nichii Co. plans seven new shops. Thus, higher capital investments are expected in fiscal 1977 and all four groups will be stepping up their capital raising activities in both domestic and overseas capital markets.

● NOMURA SECURITIES CO. LTD., reported a profit after tax of Y17.94bn. for the first half ended March 31 against Y12.74bn. in the same period of the previous year.

Sales were put at Y90.87bn. against Y80.26bn. As before there is no interim dividend although Y7 was paid for the full year.

Reuter

Shares favoured by Israeli investors

BY L. DANIEL TEL AVIV, April 26.

ORDINARY SHARES, long considered second-best by the Israeli public, are at long last coming into their own on the Tel Aviv Stock Exchange.

Until now, the public had favoured government bonds, linked to the cost-of-living index, since these were considered a non-speculative, inflation-proof investment.

But about a month ago, a flurry of buying began on the market here, which quickly snowballed, driving up share quotations sharply.

So big did the volume become, that at one stage the Stock Exchange authorities were forced to limit trading to one round. (Until then, the morning's trading opened with the orders received from clients, while the second round was based on instructions given in the light of the morning's results.)

It also caused the Stock Exchange authorities to issue a warning to the public not to be drawn into a speculative psychosis, which was particularly pronounced in regard to oil shares.

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Up again as rally ends the decline

BY OUR WALL STREET CORRESPONDENT

NEW YORK, April 26.

STOCKS REVERSED a three-day selling wave and traded higher in fairly active trading. But buying was concentrated in the recently hard-hit "glamour" group. Analysts commented that the Administration's higher inflation projection and concern over a possible tighter Federal Reserve Board policy continue to depress the market.

Closing prices and market reports were not available for this edition.

The Dow Jones Industrial Index was up 3.40 at 913.00, while advancing issues were ahead of declines by a narrow margin on the New York Stock Exchange.

The Stocks index rose 0.55 to 806.61 but Transports were 0.24 lower at 231.84 and Utilities weakened 0.03 to 107.36.

IBM rose 75 cents to $259, Texas Instruments put on 25 cents to $77½, Polaroid was up ⅜ to $33¼ and Union Carbide was 50 cents up to $54⅞.

Among the major oil companies reporting higher earnings, Texaco added a fraction to $26⅞, Atlantic Richfield ⅜ to $57 and Shell Oil ¼ to $69½. Phillips Petroleum rose 25 cents to $53⅞ after falling sharply on Monday.

Prices gained on the American Stock Exchange in slow trading. The Amex index gained 0.37 to 111.22. Presley Cos, the most actively-traded issue rose ¼ to $14⅞ while Houston Oil and Minerals fell ⅜ to $44⅞.

Analysts attributed the market rally to bargain hunting after a three-day selling wave.

MONDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Eastman Kodak	297,200	60½	−4
Phillips Petroleum	287,200	53	−4¼
Kresge S.S.	250,500	27⅞	−1½
General Electric	260,900	51⅞	−1½
Reliance Grp. Pr.'C'	224,500	25½	+¼
Pittston	200,300	38	−1⅞
Amer. Home Prods.	181,300	27⅞	−1
Fannie Mae	132,000	18	+¼
Patrick Petrlm.	184,100	16⅞	+¼
Dow Chemical	146,600	36½	−1⅞

Eastman Kodak, which dropped 4 points on Monday after reporting a 20 per cent. decline in first quarter earnings, rose ⅝ to $60½. Kodak said at to-day's annual meeting that demand for its products was strong.

OTHER MARKETS

Canada mixed

Share prices were mixed on Canadian markets in light trading. In Toronto, Maclean-Hunter "A" gained 25 cents to $9½ on higher first quarter net earnings. But Consolidated-Bathurst "A" lost 75 cents to $26, Ashland Oil Canada eased $⅛ to $10⅞, Dofasco "A" also fell $⅜ to $25½ and Bank of Nova Scotia at $18⅞ and Fruehauf Trailer at $7 declined 25 cents. The Toronto SE index was up 0.3 at 996.1 and Metals were ahead 2.2 at 1,171.7. But Golds were weaker.

In Montreal, the market was mixed in light trading. All indices tended lower, except Utilities which gained. Both Bell Canada at $43⅞ and Canadian Pacific at $17⅞ rose ⅛.

PARIS—The market eased in thin trading with operators cautious ahead of the Government's expected announcement of a second phase of the plan for the French economy. Most sectors lost ground while Investments, Engineerings and Retailings were mixed. American stocks were narrowly mixed while Germans eased and Dutch held steady.

Petrofina and Norsk Hydro regained some of the ground lost on Monday. Elsewhere, Air Liquide and Paribas each lost Frs.3 while Michelin "B" fell Frs.9. Redoute fell Frs.5 and L'Oreal was Frs.7 lower. Jacques Bord fell Frs.8 and Radio Technique declined by Frs.4.8.

BRUSSELS—The market was mixed in moderately active trading. Cockerill fell sharply in the absence of encouraging news from Monday's annual meeting. Reserve, Asturienne, Hoboken, FN, Acec and Arbed also fell. But against these losses, Sidro, Electrobel, Traction, Vieille Montagne, GB-Inno-BM and Cometra rose.

Gold mines fell following the London bullion fixing and Dutch issues were encouraged by the strength of the guilder although other foreign stocks were mostly lower. Petrofina was steady following Monday's sharp fall. Solvay gained Frs.90 and La Royale Belge was ahead Frs.50.

AMSTERDAM—Shares firmed in general, but Dutch Internationals ruled mixed, with Unilever "A" marked gain, Akzo higher and Hoogovens, Philips and Royal Dutch losing some ground. Banks weakened and Insurances were mixed. Bols led gains in the rest of the market.

Declines were headed by Amfas and Gist Broc. Van Ommeren fell Fls.2.5 but Pakhold put on Fls.1. State Loans ruled mixed.

FRANKFURT — Shares closed mainly lower partly on profit-taking, but also due to Wall Street's weakness.

Linde fell DM4.5 and MAN lost DM5.5, while Chemicals led by Bayer lost up to DM2.40. Hoechst which announced a higher 1976 dividend, eased by DM2.

Public authority bonds were mixed, ranging from gains of DM0.35 to falls of DM0.15.

ZURICH — Schweizerische Kreditanstalt Bearer shares closed at Frs.2,100 for a net loss against Monday of Frs.250 after falling to Frs.1,950 at one stage. Its registered shares fell Frs.28 to Frs.397, after touching Frs.390.

Other Bank shares were also lower, with Schweizerische Bankgesellschaft Bearer closing down Frs.160 at Frs.3,030 and Schweizerischer Bankverein Bearer down Frs.15 at Frs.375. Union Bank was Frs.160 lower.

Elsewhere, the market declined over a broad front in active Settlement Day trading, influenced by the lower Wall Street trend and Schweizerische Kreditanstalt developments.

MILAN—Stock prices lost an average 1 per cent. as the market re-opened after a three-day holiday. All sectors declined as light sales prevailed throughout in the absence of any purchasing activity.

Blue Chips such as Snia Viscosa, Immobiliare Roma, Fiat and Montedison were especially hit. The session, the third declining one in succession, took the index again close to the lows for the past 20 years touched early last week.

MADRID—The market was unable to sustain recent advances. Banks were under pressure and most sectors fell slightly. Galerias Preciados met renewed selling, but Telefonica was firm.

OSLO—Banking and Shippings were quiet while Insurances and Industrials were easier.

VIENNA—The market was irregular.

COPENHAGEN—Stocks closed mixed in fair dealings with Banks unchanged and Industrials irregular to slightly lower.

TOKYO—Prices eased throughout the day on liquidation of export-oriented Blue Chips in line with the sharp fall on Wall Street. The market averages both declined. Trading was inactive, with investors generally holding off in the absence of new factors and in anticipation of an increase in the outstanding balance of buying in margin trading.

JOHANNESBURG—Gold shares traded basically steady at lower levels as trade slackened. Financial Minings eased with Anglos 7 cents off at R3.60 after the annual report was published. De Beers lost 7 cents to R4.03.

HONG KONG — Share prices closed mixed in moderate trading, above the day's lowest. Jardine Matheson fell 20 to $HK16.80, Swire Pacific 10 to $HK9.05 and Hutchison 2.5 to $HK3.225.

AUSTRALIA — Energy stocks were firm in an otherwise dull market. Pancontinental rose to $A12.30 and Queensland Mines put on 8 cents to $A2.10. Among Industrials, The Wales gained 4 cents to $A4.80 and BHP lost 8 cents to $A6.34. Comalco fell 5 cents to $A2.90.

Indices

NEW YORK —DOW JONES

	Apr. 25	Apr. 22	Apr. 21	Apr. 20	Apr. 19	Apr. 18	1977 High	1977 Low	Since compilation High	Since compilation Low
Industrial	914.60	927.07	935.80	942.59	938.77	942.76	999.75 (3/1)	914.60 (25/4)	1051.70 (11/1/73)	41.22 (2/7/32)
HomeB'nds*	91.09	91.25	91.57	91.59	91.33	91.45	93.37 (3/1)	90.89 (7/3)	—	—
Transport.	232.08	233.59	237.59	240.36	237.65	235.16	240.36 (20/4)	221.91 (25/2)	279.88 (7/2/69)	12.23 (8/7/32)
Utilities	107.39	107.97	108.16	109.26	108.32	108.84	111.07 (25/1)	104.97 (25/2)	163.32 (20/4/69)	10.58 (28/4/42)
Trading vol. 000's ‡	20,440	26,700	22,740	25,080	19,510	17,850	—	—	—	—

* Basis of index changed from July 1.

Ind. div. yield %	Apr. 22	Apr. 15	April 8	Year ago (approx.)
	4.60	4.48	4.01	3.69

STANDARD AND POORS

	Apr. 25	Apr. 22	Apr. 21	Apr. 20	Apr. 19	Apr. 18	1977 High	1977 Low	Since compilation High	Since compilation Low
* Industrials	107.54	108.65	110.08	111.38	110.97	111.56	116.92 (3/1)	107.54 (25/4)	134.64 (11/1/73)	35.2 (30/6/32)
†Composite	97.15	98.44	99.75	100.46	100.07	100.54	107.00 (3/1)	97.15 (25/4)	125.85 (11/1/73)	4.40 (1/6/32)

	Apr. 20	Apr. 13	Apr. 6	Year ago (approx.)
Ind. div. yield %	4.25	4.21	4.29	3.28
Ind. P/E Ratio	10.41	10.41	10.21	14.00
Long Govt. Bond yield	7.62	7.68	7.73	3.45

N.Y.S.E. ALL COMMON

Apr. 25	Apr. 22	Apr. 21	Apr. 20	1977 High	1977 Low
53.86	55.09	54.54	54.70	57.07 (4/1)	53.06 (25/4)

Rises and Falls	April 25
Issues Traded—1,888	Up—290
Down—1215	Same—383
New Highs—22	New Lows—181

MONTREAL	Apr. 25	Apr. 22	Apr. 21	Apr. 20	1977 High	1977 Low
Industrial	174.95	177.25	178.64	179.82	174.95 (25/4)	174.95 (25/4)
Combined	175.48	176.75	177.75	177.88	182.16 (19/1)	174.59 (19/4)
TORONTO Composite	995.8	1005.4	1007.1	1007.7	1032.3 (16/3)	992.0 (18/1)
JOHANNESBURG Gold	154.0	156.7	156.6	178.4	192.3 (7/3)	148.9 (7/2)
JOHANNESBURG Industrials	189.5	189.1	189.5	179.5	196.8 (7/1)	188.1 (23/4)

	April 26	Previous	1977 High	1977 Low
Australia (a)	432.68	433.17	447.32 (17/1)	419.68 (18/2)
Belgium (b)	94.69	94.05	99.12 (10/1)	92.61 (20/2)
Denmark (d)	107.15	107.29	107.85 (23/3)	98.96 (6/1)
France (e)	48.9	49.1	56.4 (7/1)	47.6 (6/4)
Germany (f)	774.2	779.1	781.7 (21/4)	712.5 (10/3)
Holland (g)	90.6	90.1	90.1 (25/4)	81.2 (26/1)
Hongkong (h)	442.75	444.46	443.74 (22/4)	415.45 (14/3)
Italy (k)	64.09	(c)	73.71 (6/1)	62.98 (14/4)
Japan (m)	379.46	380.15	383.79 (9/2)	364.70 (7/4)
Singapore (n)	243.93	245.56	280.29 (10/1)	246.66 (26/4)
Spain (p)	92.97	93.51	102.27 (1/3)	91.34 (14/4)
Sweden (q)	389.81	401.48	416.68 (22/3)	359.10 (4/2)
Switz'l'd (r)	296.1	298.0	300.5 (21/4)	280.5 (5/5)

Indices and base dates (all base values 100 except NYSE All Common—50, Standards and Poors—10 and Toronto 300-1,000, the last-named based on 1975.) (a) Sydney All Ord. (b) Belgian SE 31/12/63. (d) Copenhagen SE 1/1/73. (e) Paris Bourse 1961. (f) Commerzbank December, 1953. (g) Amsterdam Industrial 1970. (h) Hang Seng Bank 31/7/64. (k) Milan 2/1/73. (m) Tokyo New SE 4/1/68. (n) Straits Times 1966. (p) Madrid SE 31/12/76. (q) Stockholm Industrials 1/1/58. (r) Swiss Bank Corp. 31/12/58. (u) Unavailable. ‡ Excluding bonds. * 400 Industrials. † 400 Inds., 40 Utilities, 40 Finance and 20 Transport. (c) Closed.

Sw. franc weak

The move to allay any fears about the future of the Swiss bank Crédit Suisse appeared to have the opposite effect to that intended in the foreign exchange market yesterday. News that a standby credit facility of three billion Swiss francs had been made available to the bank, following losses made as the result of alleged crimes by the management of one of its branches, tended to depress the Swiss franc and was followed by a statement from the bank that the offer was unnecessary.

The Swiss currency touched a worst level of Sw.Frs.2.5385 against the dollar, and closed at Sw.Frs.2.5320, compared with Sw.Frs.2.5195 on Monday. Its trade-weighted appreciation since the Washington Agreement, as calculated by Morgan Guaranty, fell to 42.57 per cent. from 48.04 per cent.

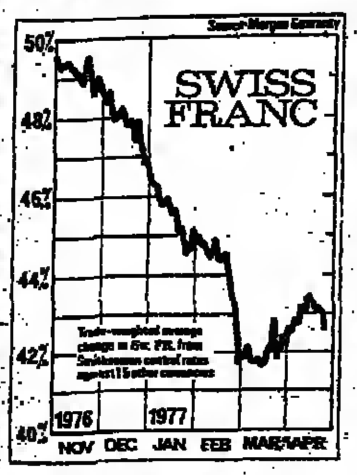
The Dutch guilder was very firm around its highest permitted level in terms of the German mark within the European joint float agreement.

The U.S. dollar was slightly firmer in general, and its trade-weighted depreciation, on Morgan Guaranty figures, narrowed to 0.97 per cent. from 1.05 per cent.

After further support overnight from the Japanese authorities the yen was again weak in European trading, finishing at Y278.30 against the dollar, compared with Y277.92½ previously.

Sterling traded within a very narrow range of $1.7185-1.7195, before closing unchanged at $1.7190-1.7195. Its trade-weighted index against 20 currencies on the basis of the Washington Agreement, as calculated by the Bank of England, improved to 61.8 from 61.7, after standing at 61.8 at noon and 61.7 in early dealings.

Gold fell $1½ to $146¾-147¼ in fairly active business.



SPECIAL DRAWING RIGHTS RATES

One SDR is equal to	April 25	April 22
Sterling	0.675446	0.674830
U.S. dollar	1.16069	1.16010
Belgian franc	42.0083	42.1290
Deutschemark	9.74747	9.75211
French franc	5.57441	5.76787
Italian lira	—	1029.01
Japanese yen	323.020	321.580
Dutch guilder	2.85826	2.86719
Swedish krone	5.04378	5.04469
Swiss franc	2.91995	2.92589

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

EXCHANGE CROSS-RATES

April 26	Frankfurt	New York	Paris	Brussels	London	A'stardam	Zurich
Fr'nkfurt	—	2.3883-98	47.75-80	6.64-65	4.07-075	96.18-21	95.60-66
N. York	42.20-22	—	20.15-16	2.7625-56	1.7195-7198	40.60-62	39.66-68
Paris	209.13-52	4.956-968	—	13.687-712	8.516-841	201.22-62	195.65 6.05
Brussels	15.27-30	36.19-22	7.29-31	—	62.18-28	14.68-71	14.27-30
London	4.07¼-08¼	1.7190-96	8.53-64	62.25-35	—	4.23¼-24½	4.35-36
Am'rd'm	103.90-95	2.463-465	49.63-69	6.8025-75	4.232-237	—	97.28-31
Zurich	108.77-85	2.531-532	50.98-51.02	6.98-687	4.349-352	102.74-83	—

U.S. $ in Montreal U.S. $ =104.70-72 Canadian cents.
Canadian $ in New York. C$=95.49-50 U.S. cents. U.S. $ in Milan 886.65-887.00
Sterling in Milan 1524.30-1524.73.

EURO-CURRENCY INTEREST RATES*

April 26	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W. German mark	Swiss franc
†Short term	8⅝-8⅞	4⅝-4⅞	6½-7½	1-1⅛	4⅛-4⅝	4-4¼
7 days notice	8¼-8⅛	4¾-5	6⅝-7¾	1⅛-2	4⅛-4⅝	4¼-4¾
Month	8¼-9¼	4⅞-5⅛	7¼-7⅝	3⅛-3⅝	4¼-4¼	3⅛-3¼
Three months	9-9⅝	5⅛-5⅝	7¼-7⅝	4-4¼	4⅛-4½	2⅞-2⅞
Six months	9⅝-10	5⅛-5¾	7⅛-7⅞	4¾-5	4½-4⅝	3⅜-3½
One year	10⅛-10⅞	5⅛-5½	7⅝-8	5⅜-5⅝	4⅞-4⅞	3⅞-3⅞

Euro-French deposit rate: two-day 9¼-9¾ per cent.; seven-day 9¼-9¾ per cent.; one-month 9¼-9¾ per cent.; three month 9¾-9¾ per cent.; six-month 10-10¼ per cent.; one-year 10¼-10¾ per cent.

Longer-term Eurodollar deposits: two years 6¾-6⅞ per cent.; three years 7⅛-7⅜ per cent.; four years 7⅛-7⅜ per cent.; five years 7⅞-8 per cent.

The following nominal rates were quoted for London dollar certificates of deposit: one-month 4¾-5 per cent.; three month 5 1/16-5 3/16 per cent.; six-month 5⅜-5⅝ per cent.; one year 5⅝-5⅞ per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and Swiss francs.

GOLD MARKET

	April 26	April 25
Gold Bullion (a fine ounce) Close	$146¾-147¼	$148-148½
Opening	$147¾-148¼	$148¼-15
Morning fixing	$147.25 (£85.650)	$149.30 (£86.868)
Afternoon fixing	$147.15 (£85.582)	$148.75 (£86.518)
Gold Coins domestically Krugerrand	$151¼-156¼ (£88-89)	$151¾-15[illegible] (£88½-89½)
N'w Sov'r'gns	$49½-51½ (£29-30)	$49½-51½ (£29-30)
Old Sov'r'gns	$45¾-48¾ (£27¼-28¼)	$46¾-48¾ (£27¼-28¼)
Gold Coins (Internat'ly) Krugerrand	$151¼-153¼ (£88-89)	$152¼-154 (£88¾-89¾)
N'w Sov'r'gns	$49¼-51¼ (£28¾-29¾)	$50-52 (£29¼-30¼)
Old Sov'r'gns	$42½-44½ (£24¾-25¾)	$42¾-44¾ (£25-26)
$20 Eagles	$223¼-226¼	$225½-22[illegible]

FOREIGN EXCHANGES

April 26	Bank Rates %	Day's Spread	Close
New York	5¼	1.7185-1.7195	1.7190-1.71[illegible]
Montreal	8	1.7988-1.8036	1.8028-1.8[illegible]
Amsterdam	4½	4.22-4.25	4.23¼-4.24¼

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—124½% (122¼%)

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.
◆ DM50 denom. unless otherwise stated. ♥ Frs.500 denom. unless otherwise stated. ♣ Kr.100 denom. unless otherwise stated. ⊕ Frs.500 denom. unless otherwise stated. ‖ Yen 50 denom. unless otherwise stated. $ Price at time of suspension. a Florins. b Shillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs: including Unilac div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa ex all. Δ Interim since increased.

NEW YORK

Stock	Apr. 25	Apr. 22
Abbott Labs	40⅛	41¾
Addressograph	10⅜	10⅜
Corning Glass	65	65⅜
CPC Int'n'tional	48¾	49⅛
Crane	32¼	33⅞
Crocker Nat	26¼	26⅛
Johns Manville	34⅞	35⅜
Johnson Johnson	62⅝	65
Johnson Control	39⅝	41¼
Joy Manufactu'g	43¼	48⅛
Revlon	37⅛	38
Reynolds Metals	40⅛	40¼
Reynolds R. J.	64	64⅞
Rich'son Merrell	20⅛	20¾
Xerox	46⅝	46¼
Zapata	10⅛	10⅜
Zenith Radio	26¼	20¼
Chile 3% 1993	†91⅛	†91⅛

GERMANY ◆

April 26	Prices Dm.	+ or —	Div. %	Yld. %
A.E.G.	96.7	−0.9	—	—
Allianz Versich.	419	−1	18z	2.1
B.M.W.	238.5	+0.5	18	3.7
BASF	158.2	−2.1	14	4.1
Bayer	147.3	−2.4	14	4.7
Bayer Hypo.	284	−2	80	3.5
Bayer Vereinsbk.	285	−8	20	3.0
Commerzbank	202.4	−4.5	18	4.6
Conti. Gummi	71.7	−1.0	—	—
Daimler Benz	347.5	−4.2	17	2.5
Degussa	250	−1	18	3.6
Demag	158	−3	16	5.2
Deutsche Bank	292.5	−4.5	20	3.4
Dresdner Bank	251.3	−7.0	20	4.1
Dyckerhoff Zem.	140	−5	6	2.1
Gutehoffnung	184.3	−3	14	3.7
Hapag Lloyd	125	−1	12	4.8

TOKYO ¶

April 26	Prices Yen	+ or —	Div. %	Yld. %
Asahi Glass	350	......	14	2.0
Canon	581	−4	11	0.8
Casio	405	......	25	3.1
Chinon	765	−168	25	1.5
Dai Nippon Print	581	+1	18	1.5
Fuji Photo	785	−14	15	0.9
Hitachi	212	−1	12	2.8
Honda Motors	653	−7	18	1.4

AUSTRALIA

April 26	Aust. $	+ or —
ACMIL	†0.66	+0.01
Acrow Australia	†0.62	......
Adelaide Brighton Cent 50c	†1.18	......
Allied Mnfg. Trdg. Indus. $1	†1.61	......
Ampol Exploration	†0.87	−0.03
Ampol Petroleum	†0.31	−0.07
Assoc. Minerals	†1.20	−0.05
Assoc. Pulp Paper $1	†0.83	......

CANADA

AMSTERDAM

BRUSSELS/LUXEMBOURG

SWITZERLAND ●

COPENHAGEN ♣

VIENNA

MILAN

PARIS

STOCKHOLM

OSLO

BRAZIL

JOHANNESBURG

SPAIN ♥

Source: Nikko Securities Tokyo

Vol. Cr.$1.3m. Shares 17.5m. Source: Rio de Janeiro SE.

Challenge to banks from Chicago's money market

By BRENDAN BROWN

ON MAY 16 Chicago's International Monetary Market (IMM) will celebrate its fifth birthday. It was created by the Mercantile Exchange (CME) whose trading floor it shares and is the first such market in the world. The IMM has introduced a central auction place alongside the traditional foreign exchange market conducted by telephone between banks. Its organisation is similar to that of the U.S. commodity futures markets. Currency contracts are bought and sold by open outcry. The IMM is aimed at traders who are unhappy with dealing through banks.

Anyone unfamiliar with currency trading would find salutary a visit to the IMM. There he would see hogs and pork bellies traded on the same floor as Sterling and Swiss francs. Each week a CME committee decides, on the basis of turnover, how much space currencies are to be allotted. Recently, the Canadian Dollar succeeded in displacing the egg market from a trading pit.

Charges

The IMM trades currency futures contracts. They have standardised maturity dates—March, June, September and December—and are made with the Clearing House. An open position is closed by the trader matching his original contract with an identical one in the opposite direction. Profit (or loss) is paid (or payable) on the same day as closure—an important distinction from procedure in the bank forward exchange market where profit is paid only on maturity date. The exchange sets minimum margin and commission rates for contracts. Margins vary from 1 per cent. for Canadian dollars to 30 per cent. for Mexican pesos. In practice most brokers would insist on an initial 100 per cent. deposit for pesos. Margin deposits may be made with U.S. Treasury Bills, and hence no interest penalty is incurred. The standard commission per contract for non-members is $45, which is between 0.1 and 0.5 per cent. of contract value. Members are charged half-rates.

Flexibility is apparent in the pattern of charges. Commission rates are reduced by nearly half on day-trades (where a position is opened and closed on the same day), and on spreads between dates or related currencies (Swiss franc, guilder, Deutschemark). For example, if a trader sells June Swiss francs and buys June Deutschemarks, he pays a total commission of only $55. For large deals (nine contracts and more) rates are fully negotiable. In March, 1978, the system of recommended commissions will end, and it is generally believed that competition will drive down transaction costs.

IMM members offer the facility of "omnibus accounts," whose owners remain a closely guarded secret. Anonymity is an important selling feature of the IMM, in contrast to the rival bank foreign exchange market. It is rumoured that behind the veil of omnibus account would be found wealthy OPEC investors, offshore interests, and even central banks.

Separation of dealer and broker function is an attractive feature of the IMM. Exchange rules prevent a member from trading with his clients—their orders must be executed with others, himself acting as intermediary. The CFTC (Commodities Futures Trading Commission) has proposed recently that members who act as brokers should not even be permitted to trade for their own account. In the rival foreign exchange market a client trades with his bank as principal, and there may be doubt as to whose interest is at heart. The IMM can handle readily limit orders, which are placed simply by a client with a member.

> **The Chicago International Monetary Market is the first alternative money market in the world to trade in currency futures contracts. But its continued growth will depend on arbitrage between the interbank market and the IMM.**

Becalmed

Eight currencies are presently traded in the IMM—the pound, Canadian dollar, Dutch guilder, Deutschemark, yen, Mexican peso, Swiss franc, and French franc. The Italian lire was traded from 1972-73, but was delisted due to their being insufficient interest. The size of contracts are Sterling £25,000, C$100,000, Guilder125,000, DM125,000, Yen12,500,000, Peso1,000,000, Sw.Frs.125,000, Frs.25,000. In addition, gold and Treasury Bill futures are traded. Few adherents can be found among members of the view that a relation exists between the price of gold and Swiss francs, and spreads between the two markets have become rare.

What determines the rise and decline of a currency contract's popularity is as mysterious as that of empires. From a peak of 9,196 in December, 1974, the monthly average number of trades in French francs has declined to 300 this year. Trading in the Dutch guilder has become minimal: in 1973, 1,500 contracts were traded per month. Presently trading is active in the Canadian dollar, Deutschemark, yen, Mexican peso, and Swiss franc. The IMM illustrates market abhorrence of the dead hand of official intervention which limits exchange rate fluctuation. The pound and French franc market have been becalmed by it. In 1978 sterling was one of the most popular contracts: now it competes with the French franc for bottom place.

Many exchange members believe that U.S. banks would be glad to see the demise of the IMM, and a cold attitude among Chicago bankers is indeed apparent. Continued growth of the IMM will depend on bank participation. Arbitrage between the interbank market and IMM is essential to the latter's depth. Banks have not bought seats on the exchange, and prefer arbitrage to be performed by their member clients. Consequentially, the IMM suffers from narrowness. Large deals (20 contracts or more) may sometimes be difficult to execute, except at disadvantageous terms compared to the interbank market. Members—whose credit lines are limited, and who face a bid-ask spread when dealing with banks—cannot always arbitrage away such differences. If banks used the IMM themselves, these periods of temporary narrowness would not occur. Any price differences would be eliminated by banks switching from the interbank market to the IMM to meet their clients' requirements.

Handicap

The Clearing House has done much to encourage arbitrage business, realising its vital role. It has instituted a Class B member category, whose activities are confined to arbitrage, and are therefore exempted from margin requirements. Members are reluctant to disclose information about their clients, but the impression is gained that some European banks arbitrage directly. Their activity is limited due to the IMM's hours of trading 8.45 a.m. to 1.10 p.m.—which often coincide with only one hour of European trading.

Though the large banks may be scornful of the "doctors, lawyers, professors, and dentists" who now trade in the IMM, others welcome the opening up of the foreign exchange market to the smaller investor. It is widely believed that currency markets in the new floating era suffer from a dearth of speculators. Big institutions are handicapped by internal political considerations from assuming venturesome positions in the foreign exchange market. As yet, the IMM has not often been a leader of sentiment in the currency markets. Recently it has been a significant factor in the Canadian dollar market. By end-March there were 2,656 outstanding contracts (open interest) in Canadian dollars—about $265m.

Open interest figures for the same date in other currencies were Sterling, 795, Dm 1,380, Fr 239, Yen 1,426, Peso 1,384, Swiss Fr. 1,311. Those near to the market certainly have confidence in its growth potential: The price of a seat on the IMM has escalated from $20,000 to $50,000 in the past two years. One third of the 650 seats are held as pure investments by owners who never trade.

Innovations in financial markets can be as momentous as in the physical sciences. The IMM has introduced a new foreign exchange dealing technology. One of its by-products is to greatly reduce the costs of small trades. The day may not be far off when statistics of open interest and turnover on the IMM will become compulsory reading for analysts all over the world.

FARMING AND RAW MATERIALS

Base metals drift lower

By Peter Bullen

METAL VALUES continued to drift down on the London Metal Exchange yesterday.

Copper again set the trend. Prices moved downwards for most of the day, but a very small recovery brought cash wirebars up to £797 at the close—£8.75 down on balance.

News from the U.S. that copper producers and workers are to meet next week to exchange proposals on a new labour contract had little effect on the market.

With the Malaysian market losing ground overnight, the tin ring ruled quiet for most of the day with standard cash metal down £20 at the close at £5,625 a tonne.

Despite some late afternoon perkiness in the lead market, cash lead still closed £7.5 down at £373.75 a tonne. A quiet zinc market ended with cash metal down £1.75 at £373.75 a tonne.

● Earlier, the LME committee announced that it had elected Mr. I. E. A. Foster, of H. P. Thompson and Sons, as chairman to succeed Mr. Fred Wolff. Mr. Christopher Green and Cerro Metals (U.K.) was elected vice-chairman.

New slant on farm machinery output urged

By Our Commodities Staff

BRITAIN'S FARM machinery manufacturers were urged yesterday to produce more of what home farmers wanted by Mr. Robert Aitken, newly-elected president of the Agricultural Engineers' Association.

He told the association's annual lunch in London that, although the industry showed a favourable trade balance of £535m. last year—19 per cent. higher than in 1975—this was almost entirely due to tractors, engines and parts.

A less satisfactory trade balance on other agricultural machinery was largely due to a 39 per cent. rise in imports, from £76m. to £106m.

"These figures suggest to me that the industry is not producing enough of what British farmers require. Here is an opportunity to expand our share of world trade by providing more adequately for the home market," he said.

"Imports saved are as valuable to the balance of payments as exports earned."

U.K. sugar beet planting nearing completion

BY OUR COMMODITIES STAFF

MORE THAN 93 per cent., or nearly 480,000 acres of this year's planned U.K. sugar beet area, was planted by April 23, the British Sugar Corporation said yesterday.

Drilling should be completed by the end of April or early May, but total plantings would depend on the weather over the next two weeks. They should not fall far short of the 510,000 acres contracted—the same level as last year's actual acreage.

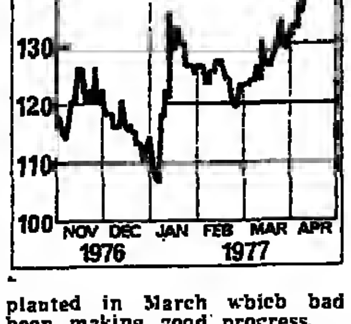
Mr. Thomas Morgan, the chairman of the National Farmers' Union sugar committee, said drillings were almost completed in the eastern half of the country. Over the whole of the U.K. they should be finalised by the end of this week, if the weather remained normal.

Final sowings might be slightly less than 510,000 acres because of disappointing yields in recent years, he said.

Although it was premature to speculate on the size of the eventual crop, Mr. Morgan said that if the weather was ideal, the result could top 1m. tonnes of white sugar, compared with the 700,000-tonne harvest from the drought-hit 1976-77 crop.

However, Reuter reported from Paris that the French 1977-78 sugar beet season had got off to an inauspicious start, with sowings held up the cold wet weather of early April.

The Beet Planters' Association in its review of the situation at April 15, said frost had destroyed some seedlings



planted in March which had been making good progress.

Only about 30 per cent. of the growing area had been sown by April 15, with the Nord/Pas de Calais area the worst affected.

From Singapore, Reuter reported the Malaysian Trade Department as saying that Malaysia would like to resume negotiations with Australia on the revision of its long-term sugar supply contract signed three years ago.

The Trade and Industry Minister, Datuk Hamzah Abu Samah, had discussed the sugar contract with Mr. Andrew Peacock, the Australian Foreign Minister, when Mr. Peacock visited Malaysia last week and had told him that Malaysia wanted to resume negotiations with the Queensland Sugar Board.

The talks broke down late last year after each side had rejected proposals by the other, but the contract was still being met at the contracted price.

The Malaysian Trade Department said Malaysia had proposed a revision of the six-year contract signed in 1974 to take account of the fall in world sugar prices since then.

Under the contract, CSR, of Australia, agreed to supply 1.65m. tonnes of Queensland sugar to Malaysia from 1975 to 1980 at a price quoted by Trade Ministry officials at 814.50 ringgit per tonne.

When the contract was signed the world sugar price was the equivalent of about 1,500 ringgit per tonne. Since then, it has dropped to the equivalent of about 500.

Carter firm on farm Bill cost

WASHINGTON, April 25

U.S. AGRICULTURE Secretary, Mr. Bob Bergland, said President Carter seems firmly committed to keeping the cost of new farm legislation down to about $2bn. a year.

He told newspaper farm editors that any programmes submitted by Congress costing more than $2bn. would increase the chances of a veto, although this did not mean the President would not sign a Bill costing $2.1bn.

He noted that this figure took into account the worst type of situation and assumed that wheat prices would be around the loan rate level of $2.25 a bushel.

In Chicago, meanwhile, Cargill vice-president Mr. William R. Pearce suggested a new farm income support programme to replace the current system of price support loans from the Government.

He told an American Management Association meeting that the programme would completely separate income support from commodity planting and marketing decisions.

"Farmers would be guaranteed a total net income, say $210bn., for wheat, feed grains and soya beans. In years in which total net farm income from these crops fell below the target, Government payments would be made to fill the gap."

The target price for each crop would be replaced by a net farm income objective for all eligible crops, said Mr. Pearce.

Neither planting history nor current planting choices would affect the farmer's right to income support. Farmers with cropping alternatives would be encouraged to shift land to more profitable crops.

On grain reserves, Mr. Pearce said: "The decision to give producers control of the 300m. bushel wheat reserve has apparently removed a major obstacle to creation of a conscious reserve stock."

The U.S. should abandon its efforts to get agreement on international grain reserve systems. Instead, an international food financing facility should be established to assist developing countries in meeting their emergency food needs.

The ability to deal with instability and price volatility depended on America's ability to persuade other nations to accept a reasonable part of the burden of adjustment to change.

One opportunity to deal with this issue would come in the Tokyo round of multilateral trade negotiations, he said.
Reuter

Australia wool sale dates

SYDNEY, April 26.

THIS WEEK'S Adelaide and Portland wool auctions are each being shortened by one day, while the Albany sale is being put back a day, the Australian Wool Buyers' Council said.

The three-day Adelaide sale, due to start to-day, is reduced to a two-day sale on April 27-28. The two-day Portland sale, originally scheduled to start to-morrow, is reduced to a one-day sale on April 28.

Further fall in coffee

By Richard Mooney

COFFEE PRICES on the London futures market lost further ground yesterday. The July position closed £137 lower at £3,787 a tonne—its lowest for nearly three weeks.

Dealers said the movement reflected the "bearish" mood of the market rather than any fundamental considerations.

The market appears to be moving in a fairly wide trading range with the upper limit at around £4,100 a tonne and the lower limit set by roaster buying after each fall. Recently the roaster buying has set in at about yesterday's levels, but its continued absence suggests that manufacturers feel prices could fall further this time.

Our New Delhi correspondent writes: The Indian Government has steeply raised the export duty on coffee from Rs.1,300 to Rs.2,200 per quintal in a bid to mop up the windfall profits that exporters have made because of the rising world coffee prices. The export duty on tea has already been raised for the same reason.

Indian coffee export earnings have been rising steadily over recent years from Rs.660.50m. in 1975-76 to an estimated Rs.770m. in 1976-77.

Because of the recent spurt in international prices, coffee export earnings are expected to rise much more, especially as the crop has been good and the Coffee Board, based in Bangalore in Karnataka state, has been making major export promotion efforts.

Brazil iron to cost Japan more

TOKYO, April 26.

JAPANESE STEEL mills have agreed to pay 8-10 per cent. more for the Brazilian iron ore they are to import in 1977-78 (April to March), an industry spokesman said.

The spokesman, from Nippon Steel Corporation, said the new pricing agreement was signed between Cia Vale do Rio Doce and a group of eight big Japanese steel makers, including NSC, Kawasaki Steel and Sumitomo Metal Industries.

Under the present long-term contracts with Rio Doce, Japan is to buy 17.5m. tonnes of iron ore annually in the two-year period, he said.

He declined to go into details of the pricing deal, but industry sources said the agreed price will raise the cost to Japan by about $17m. a year.

SCOTTISH AGRICULTURE

Cuts in livestock causing concern

BY A CORRESPONDENT

BEEF COW numbers in some parts of Scotland are declining at an annual rate of 10 per cent., breeding sow numbers by 3.5 per cent. and dairy cow numbers by 1.2 per cent.—and many farmers are planning further considerable reductions in stock numbers.

These are the results of a survey taken recently by the Aberdeenshire and Kincardineshire area of the National Farmers' Union of Scotland.

There was a 50 per cent. return of survey forms, which were sent to about 2,600 farmers. The numbers of breeding stock involved are particularly significant against the total Scottish population, since the north east corner of Scotland is an important livestock producing area.

Measured against the official June census figures, the beef cow numbers returned in the sample account for about 40 per cent. of cows in the area and about 5 per cent. of all beef cows in Scotland.

The breeding sow numbers accounted for about 50 per cent. of the sows in the area and about 20 per cent. of all sows in Scotland, while the dairy cow numbers were about 3 per cent. of the Scottish dairy herd.

For the future, 40 per cent. of all the pig producers, 32 per cent. of the beef and 20 per cent. of the dairy farmers, declared their intention to cut back further in production.

The NFU committee responsible for the survey said that the Scottish pig herd consumed the equivalent of about 15 per cent. of the Scottish barley crop and the 2m. beef cattle—80 per cent. of the Scottish cattle population—probably more than 30 per cent. of the crop.

Small farms

If the pig and beef industries contracted at anything like the suggested rates, a serious marketing problem would soon arise for Scottish barley with consequences affecting the whole of Scottish agriculture.

The committee said that a further disturbing feature of the results was that the greatest contractions in output were taking place on the small farms where hardship would be most felt.

The beef herds in the under-20 cow group showed reductions of 13 per cent. in cow numbers. In dairy herds with fewer than [illegible] cows the contraction was [illegible] per cent. per annum.

Pig herds of under 50 [illegible] declined at a rate of 20 [illegible] cent., but with 35 per cent. [illegible] pigs in the sample concentrated in ten large herds, the relatively slight reduction in sow numbers is misleading.

Intended reductions in [illegible] of the large herds were [illegible] —and if this meant going out of production altogether, a 10 [illegible] cent. drop in sow numbers [illegible] occur on this account alone.

The committee suggested their survey showed that the target set in the Government White Paper, "Food From Our Own Resources," had been [illegible] far behind.

Not only was the beef [illegible] contracting fast, but the [illegible] herd was also failing to [illegible] the Government's target. [illegible] could only further aggravate [illegible] decline in beef production.

The supply situation for [illegible] was also becoming very [illegible] as it rested increasingly [illegible] fewer, larger herds, many [illegible] which were on the point [illegible] ceasing production.

India plans summer crops switch

BY K. K. SHARMA, NEW DELHI CORRESPONDENT

THE INDIAN Government has asked officials to formulate plans by the end of this month to increase the acreage under cotton, oilseeds and pulses in the "kharif" (summer) crop in a bid to increase availability and check the rising prices of these commodities.

The committee will suggest which areas can be diverted to these crops and how production can be increased by use of high yielding varieties of seeds.

The inflation rate in the financial year ended March 31 was an alarming 15 per cent. and the main reasons are the rise in prices of edible oil and raw cotton. Prices continue to rise because of the slow rate at which imports of edible oil have been made.

Of the Rs.5bn. worth (£300m.) of edible oil imports authorised by the previous Government of Mrs. Gandhi it has now been disclosed that actual imports were worth less than Rs.500m. The remainder seems to have been resold in international markets by licensees to make profits.

An inquiry into the misuse of import licences is to be initiated, but in the meantime the Government is anxious to increase availability both of edible oil and cotton. Hence the programme to add to the acreage under oilseeds.

This is possible because [illegible] record foodgrain stocks [illegible] by the indigenous poly[illegible] farmers to divert land [illegible] seeds rather than grain. [illegible] are likely to get financial [illegible] other incentives for the purp[illegible]

HK exchange opening

HONG KONG, April 2[illegible]

MR. PETER SCALES, chairman of the Hong Kong Commodity Exchange has confirmed that the exchange plans to open on May 9, subject to the issue of a licence.

He said he understood that the Government's Executive Council would meet on May 3 to authorise the issue of the licence.

The exchange will initially trade only in raw cotton futures.

Mr. Scales said that the list of exchange members had not yet been finalised, but most of the applications received so far—more than 50—had been processed.

The membership was [illegible] international, with many of [illegible] large U.S., European and Ja[illegible]nese Commission Houses [illegible] merchants represented, as [illegible] as local commercial and financ[illegible] interests.

It is hoped to open [illegible] second market—in raw su[illegible] futures—before the end of 1[illegible]

Mr. Scales said that resea[illegible] would continue on other possi[illegible] markets after sugar, wh[illegible] would require additional G[illegible]ernment approval.
Reu[illegible]

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Drifted on the London Metal Exchange as sentiment remained depressed. Forward metal opened at £827 and fell to £820 in thin trading until some buying came into the market, lifting the price to £822.5. In the afternoon a lower opening on Comex caused a retreat to £816 but later the market picked up to £820 before closing on the Kerb at £815.75. Turnover: 22,925 tonnes.

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £800.5; three months £820, 19, 18.5, 21, 22, 21.5. Cathodes: Three months £814, 15, 13.5, 12. Kerb: Three months £822, 21, 21.5, 22, 23, 22. Afternoon: Wirebars: Three months £817, 16, 17, 18, 20, 19.5, 19. Cathodes: Three months £810. Kerb: Three months £817, 18, 18.5.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	800-1	—9	796.5-7.5	—8.75
3 months	821.5-2	—10	816-9	—8.25
Settlem'nt	801	—9	—	......
Cathodes				
Cash	790-1	—11.75	788-90	—9
3 months	812-.5	—12	810 1	—0
Settlem'nt	791	—11.5	—	......
U.S. Smt.	—	......	*74	......

TIN—Slightly easier after a quiet day's trading. The East was lower overnight and forward metal in London opened at £5,710 before slipping to £5,690. Some physical business caused a rise to £5,760 before hedge selling and pricing sales sent the price down to £5,735 and a close on the Kerb of £5,745. Turnover: 835 tonnes.

Morning: Standard: Cash £5,640; three months £5,170, 20, 30, 40, 45, 50, 55, 60. Kerb: Standard: Three months £5,760, 61. Afternoon: Standard: Cash £5,620; three months £5,740, 55. Kerb: Standard: Three months £5,735, 40, 45.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	5640 0	+5	5620-30	—20
3 months	5765 60	+4.5	5755 40	—50
Settlem'nt	5645	+5	—	......
Standard				
Cash	5640 0	+5	5620-30	—20
3 months	5755-60	+4.5	5735 40	—50
Settlem'nt	5645	+5	—	......
Straits E.	:31445	—11	—	......
New York	—		—	......

LEAD—Lower on balance with forward material starting at £378. It traded just above this level for most of the day in subdued conditions. Short-covering of June dates in the afternoon was sufficient to create a small premium. The closing price on the Kerb was £378.5. Turnover: 6,450 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	374.5-5	—7	373.5-4	—7.5
3 months	380-.5	—8	378-9	—8.75
S'ment	375	—7	—	......
N.Y. Spot	—	......	*31	......

Morning: Cash £375; three months £378, 80, 81, 80.5. Kerb: Three months £380.5, 81. Afternoon: Cash £373.5; three months £379, 79.5, 79, 78.5. Kerb: Three months £378.5, 79, 79.5.

ZINC—Little changed in routine trading with the price climbing from a start premarket of £381 to a high point for the day of £387 before coming off slightly to close on the Kerb at £385. Turnover: 1,950 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	375.5-6.5	......	373.5	—1.75
3 months	387-8	......	385.6	—1.25
S'ment	376.5	......	—	......
Prim. West.	—	......	*37	......

Morning: Three months £383, 84, 85, 87. Kerb: Three months £387. Afternoon: Three months £383, 84, 85, 85. Kerb: Three months £385.

* Cents per pound. • On previous unofficial close. ‡ $M per picul.

I.G. Index 01-351 3466 Three months Silver 280.5-283.5

SILVER

Silver was fixed 5.55p an ounce lower for spot delivery in the London bullion market yesterday, at 275.15p. U.S. cent equivalents of the fixing levels were: spot 472.0c, down 9.3c; three-month 479.4c, down 0.3c; six-month 485.9c, down 9.8c; and 12-month 499.9c, down 10.2c. The metal opened at 277-278p (475-476c) and closed at 275.5-276.5p (473½-475½c).

SILVER per troy oz.	Bullion fixing prices	+ or —	L.M.E. close	+ or —
Spot	275.15p	—5.55	276.25p	—3.8
3 months	281.55p	—5.65	282.45p	—3.2
6 months	288.55p	—5.25	—	......
7 months	—	......	291.5p	—5.0
12 months	303.6p	—6.3	—	......

LME—Turnover 250 (157) lots of 10,000 ounces. Morning: Cash 275.5; three months 282.6, 2.6, 2.8, 1.8, 1.9, 1.8, 2.8, 2.2, 2.3, 2.2. Kerb: Three months 282.3, 2.5, 2.6, 2.7, 2.6. Afternoon: Three months 282.2, 2.3, 2.4, 2.5, 2.6, 2.5. Kerb: Three months 282.4, 2.3, 2.2, 2.0.

COCOA

Prices rose into the upper end of the recent trading range initially, but profit-taking once again eroded gains, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
No. 5 Cont't.			
May	2286.0-92.0	+21.0	2300.0-2250
July	2165.0-68.0	+3.50	2180.0-2125
September	2079.0-80.0	+17.0	2080.0-2035
December	1985.0-88.0	+37.50	1991.0-1950
March	1955.0-45.0	+37.75	1953.0-1880
May	1895.0-1900.0	+32.50	1870.0-1860
July	1855.0-1860.0	+32.50	1850.0-1820

Sales: 2,262 (2,139) lots of 10 tonnes.

International Cocoa Agreement (U.S. cents per pound): Daily price April 25: 133.50 (136.71). Indicator prices April 26: 15-day average 162.55 (163.38); 22-day average 164.37 (165.72).

GRAINS

THE BALTIC—Fresh interest in imported grains was again very slow to develop with buyers generally unwilling to meet unchanged offering levels. Trade sources said that the green pound devaluation had already been discounted.

Barley: easy. Close: May 84.10, Sept. 85.45, Nov. 88.75, Jan. 91.65, March 94.25. Business: May 84.25-83.90, Sept. 86.20-85.80, Nov. 89.00-88.75, Jan. 92.00-91.65, March 94.00-94.45. Sales: 137 lots.

Wheat—Canadian Western Red Spring No. 1, 13½ per cent.: May-June £92.75, Tilbury. U.S. Dark Northern Spring No. 2, 14 per cent.: May £92.85, June £93.10, July £93.70, Aug. £94.25, transhipment East Coast. U.S. Hard Winter No. 2: Ordinary: May £79.55, transhipment East Coast. Argentine Milling: May £74.80 transhipment East Coast. EEC Feed: May £92.25, June £93.25, East Coast.

Maize—No. 3 Yellow American French: April £93.25, May £95, East Coast.

Barley—EEC Feed Canadian: May £86 first half, June £86.50, second half June £87.

LONDON GRAIN FUTURES MARKET (GAFTA)—Wheat: easy. Close: May 91.35, Sept. 91.85, Nov. 94.45, Jan. 97.30, March 100.15. Business: May 92.20-91.75, Sept. 92.35-91.85, Nov. 95.00-94.50, Jan. 97.50-97.30, March 100.70-100.15. Sales: 214 lots.

HGCA—Ex-farm spot prices April 26. Other milling wheat—Berkshire and Oxfordshire £92.80. Feed wheat—N.E. England £89.15, Berks and Oxon £91.15. Feed barley—N.E. England £85.10, Berks and Oxon £86.05.

The U.K. monetary co-efficient for the week beginning Monday May 2 is expected to remain unchanged.

EEC IMPORT LEVIES—Effective today in order current levy plus May, June and July premiums, with previous in brackets in units of account per tonne. Common wheat—86.64, 1.49, 1.49, 2.22 (88.64, nil, nil, 0.74); Durum wheat—149.79, nil, nil, nil (151.53, nil, nil, nil); Rye—71.45, nil, nil, 4.37 (70.71, 0.74, 0.74, 0.74); Barley—53.37, nil, nil, nil (55.39, nil, nil, nil); Oats—50.83, 0.74, 5.74, 0.74 (49.39, 0.37, 0.37, 3.37); Maize (other than hybrid for seeding)—61.83, 0.37, 0.37, 0.56 (60.53, nil, nil, 0.37); Millet—69.49, nil, nil, nil (69.73, 1.31, 1.11, 0.37); Grain Sorghum—77.73, nil, nil, nil (70.23, 0.37, 0.37, nil). Also for flours: Wheat or mixed wheat and rye—133.18 (133.18); Rye—111.20 (118.56).

COFFEE

In line with overnight advices, London opened easier with trade and Commission House selling being absorbed only on a scaled-down basis, reports Drexel Burnham Lambert. The weakness continued through the afternoon as more sell stops were hit and prices finished at the lows of the day £100-£150 down on balance. Traders said that it was the lack of physical off-take and the unchanged situation in origin-selling regulations which led to the nervous long-liquidation.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
May	3720-730	—100.0	3850-725
July	3784-790	—124.2	3900-780
September	3806-810	—174.5	3920-810
November	3825-804	—147.0	3910-800
January	3800-810	—150.0	3950-810
March	3800-810	—151.0	3915-810
May	3800-815	—157.5	3905-800

Sales: 3,551 (3,959) lots of 5 tonnes.

ICO indicator prices for April 25 (U.S. cents a pound): Colombian Mild Arabicas 337.00 (335.00); unwashed Arabicas 360.00 (same); other mild Arabicas 316.50 (319.75); Robustas 313.50 (314.50). Daily average 315.00 (317.00).

RUBBER

ABOUT UNCHANGED opening on the London physical market. Fair interest throughout the day. Closing slightly steadier. Lewis and Peat reported a Malaysian godown price of 397 (same) cents a kilo (buyer May).

No. 1 R.S.S.	Yesterday's close	Previous close	Business Done
May	51.75-52.75	—	52.50-51.75
June	52.50-56.50	51.25-52.00	—
Jly-Sep.	54.25-54.50	53.65-55.70	54.40-53.80
Oct-Dec	57.00-57.10	56.80-56.95	57.20-56.80
Jan-Mar	59.15-59.25	58.70-58.85	59.50-58.90
Apr-Jne	61.05-61.30	60.80-61.00	—
Jly-Sep.	63.10-64.50	62.80-62.90	62.85
Oct-Dec	65.35-65.45	64.90-65.00	65.55
Jan-Mar	67.50-68.00	67.20-67.40	—

Sales: 190 (182) lots of 15 tonnes.

Physical closing prices (buyers) were: Spot 51p (50p); June 50.25p (49.75p); July 50.25p.

JUTE

LONDON—Steady. Bangladesh White "C" grade April-May $414. Bangladesh White "D" grade April-May $397. A long ton.

CALCUTTA—Steady. Indian Rs.540.00. Dundee Tossa Four Rs.511.00 value. A bale of 400 lbs.

DUNDEE—Quiet. Prices c and f. U.K. for April-May shipment: BWC £238, BWD £230. Tossa: BTA £252, BTC £241, BTD £231. Calcutta goods steady. Quotations c. and f. U.K. for April and May shipments: 10-ounce 40-inch £8.41, 7½-ounce £6.49 per 100 yards. June £6.46 and £6.44 "B" twills: £23.27, £23.50 and £23.32 for the respective shipment periods. Yarn and cloth quiet, but prices firm.

SOYABEAN MEAL

The market opened limit down, reflecting Chicago's limit close, and continued weak throughout the day, despite some attempted rallies, reports SNW Commodities. The physical market was very dull. Chicago opened weak and continued to ease to limit down. London followed, finishing on the lows of the day.

	Yesterday Close	+ or —	Business Done
	£ per tonne		
June	198.50-202.0	—8.25	204.00-200.00
August	205.50-06.5	—11.20	213.00-06.00
October	174.00-75.8	—3.00	277.00-74.00
December	146.50-47.0	—4.50	247.50-46.50
February	146.00-47.5	—4.25	247.50-45.00
April	147.00-43.5	—3.75	249.00
June	146.00-53.0	—2.50	—

Sales: 264 (192) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar) £149.00 (£151.00) a tonne cif for April-May shipment. White sugar daily price was fixed at £144.00 (£147.00).

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Close	Business Done
	£ per tonne		
May	145.50-46.00	150.25-51.00	151.00-46.50
Aug.	148.75-49.00	152.85-52.95	153.75-49.25
Oct.	149.35-49.40	152.50-52.85	154.00-49.00
Dec.	150.50-50.75	154.50-54.85	154.00-49.75
March	152.65-52.65	156.40-56.45	157.00-52.25
May	153.50-54.50	156.75-57.00	157.50-53.00
Aug.	155.75-55.75	158.25-59.50	159.25-55.75

Sales: 4,374 (4,196) lots of 50 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £226.00 (same) a tonne for home trade and £217 (£219) for export.

Opening trades were some 150 points below overnight levels and thereafter disappointed long liquidation developed, reports C. Czarnikow. Despite good support, scale-down losses of some 200 points were recorded by the close, when the market touched the low points of the day.

EEC IMPORT LEVIES — Effective to-day for denatured and non-denatured sugar in units of account per 100 kilos (previous in brackets). White: 10.15 (13.02). Raw: 14.30 (14.04).

WOOL FUTURES

LONDON — Market quiet awaiting auctions in Australia, reports Bache. (Pence per kilo)

Australian Greasy Wool	Yesterday's Close	+ or —	Business Done
May	255.0-28.0	—1.50	25.0
July	258.0-58.0	—	28.0
October	258.0-45.5	—1.10	—
December	244.0-47.0	—1.00	44.0
March	247.8-50.0	—1.50	47.0
May	249.0-51.0	—	—
July	252.0-62.6	—	—
October	254.0-84.0	+0.50	—

Sales: 7 (4) lots of 1,500 kilos.

SYDNEY GREASY (in order buyer, seller, business, sales)—May 333.3, 334.5, 333.3-334.0, 42. Micron Contract—July 340.1, 340.5, 340.5-340.0, 16. Oct. 332.0, 334.0, 332.5-332.0, 4. Dec. 333.7, 334.0, 334.0-333.5, 30. March 338.5, 338.8, 339.0-338.5, 14. May 360.5, 361.0, 361.0-360.5, 16. July 361.5, 362.5, 362.5-362.0, 11. Oct. 363.2, 364.0, 363.5-363.5, 2. Total sales: 93.

MEAT/VEGETABLES

SMITHFIELD (pence per pound)—Beef: Scotch killed sides 43.0 to 45.0; Ulster hindquarters 51.0 to 54.0, forequarters 29.0 to 32.0. Eire hindquarters 50.0 to 54.0, forequarters 29.0 to 31.5.

Veal: Dutch hinds and ends 76.0 to 80.0.

Lamb: English new season, small 60.0 to 64.0, medium 58.0 to 60.0, heavy 56.0 to 58.0. Imported frozen NZ PL 41.0 to 42.0, PM 40.5 to 41.0, YLs 40.5 to 41.5.

Hoggets: English 40.0 to 14.0.

Pork: English, under 100 lbs 29.0 to 37.0, 100-120 lbs 29.0 to 34.0, 120-160 lbs 29.0 to 33.0.

MEAT COMMISSION—Average fatstock prices at representative markets on April 26. GB cattle 57.67p per kg lw (+0.72); GB sheep 142.4p per kg est dcw (—7.1); GB pigs 51.9p per kg lw (+0.4). England and Wales: Cattle numbers down 26.8 per cent., average price 57.02p (+0.55); sheep down 18.3 per cent., average price 142.2p (—6.8); pigs down 1.5 per cent., average price 51.7p (+0.3). Scotland—Cattle numbers down 2.4 per cent., average price 57.79p (+1.13); sheep up 24.2 per cent., average price 147.0p (—12.1); pigs up 10.9 per cent., average price 52.6p (+0.6).

COVENT GARDEN (prices in sterling)—Imported produce: Oranges—Jaffa: Shamouti/Lates 3.60-4.25; Cypriot: Ovals/Lates 15 kilos 3.30-3.70, 20 kilos 3.50-4.40; Moroccan: V/Lates 2.90-3.20; Egyptian: 3.00-3.20. Grapefruit—Jaffa: 3.10-3.50; Cypriot: 3.00-3.60. 4-boxes 2.40-2.50. Lemons—Italian 5.80-6.00; Spanish: 3.50; Californian: 8.20. Apples—S. African: Boxes approx. 40 lbs Dunn's Seedling 6.40-6.00, Golden Delicious 8.75, Starking 6.10-6.50, Granny Smiths 8.40, White Winter Pearmain 5.60; New Zealand: approx. 40 lbs Cox's Orange Pippin 216 8.20, 198 8.40, 163-175 8.60; Chilean: Boxes Granny Smith 9.50; Italian: Per pound Starking 0.11, Golden Delicious 0.11, Rome Beauty 0.12, Jonathan 40 lbs 4.40; French: 20 lbs Golden Delicious 2.30-2.50, Jonathan cases 40 lbs 5.00-5.30. Pears—Italian: Passacrassane 14 lbs 1.40; S. African: Cartons Beurre Hardy 4.10-4.60, cases 4.70-4.80, Beurre Bosc 4.20-4.50, Packham's Triumph cartons 3.00-3.60, cases 3.60, cartons Winter Nelis 4.14-4.28. Grapes—S. African: Boxes New Cross 5.30, Barlinka 4.10-4.20. Melons—Colombian: 6.00; Chilean: All sizes cases 6.00. Tomatoes—Canary: 2.30-3.30; Jersey: 3.50-3.00; Guernsey: 3.40-3.90; Dutch 3.70-3.50. Onions—Hungarian: 8.20; Australian: 44 lbs approx. 5.20-5.30; Chilean, Cases 5.20-5.50; N. Zealand: 20-kilos 5.20, 25-kilos 6.20. Carrots—American: Pre-packed bags 48 0.25; Cypriot: 10 kilos 4.40. Cucumbers—Dutch: 1.40; Romanian: 1.20. Courgettes—Cypriot: 2.60-3.00. Aubergines—Canary: 3.30; Kenyan: 3.50. Chicory—Belgian 5 lbs 3.00. Chillies—Kenya 4 lbs 2.40. Capsicums per lb Canary 0.30. Ethiopian/Kenyan: 0.30. Celery—Spanish: 6.00-6.50; American: 46 11.00, prepacked 24 7.00. Potatoes—Canary: 25-kg Single Cross 2.50, Double Cross 5.00-5.30; Syrian: 5.30-6.00; Egyptian: Spring Crop 5.30; Jersey: Per pound 0.20-0.25. Cauliflowers—Jersey: 21 4.60; French: 6.20-6.30. Cabbage—Dutch: White 6.80-7.00. Okra—Kenyan: Approx. 4 lbs 1.30. Pineapples—Kenyan: 0.1.20 each; S. African: 0.15-0.20. Strawberries—American: 0.90; Spanish: 4.40-0.30; Italian: 0.40. Avocados—S. African 1.50-2.50. Broad Beans—Spanish: Per pound 0.20. Peas—Spanish: Per pound 0.25.

English produce: Apples—Per pound Bramley's Seedling 0.14-0.15. Potatoes—Per bag 3.00-4.50. Carrots—Per net 12½-kg 4.00-4.60. Lettuce—Per 12, round 0.80-0.90. Spring Greens—Per net 3.00. Cauliflowers—Per 12 2.50-3.00. Parsnips—Per 28 lbs 2.50-3.50. Mushrooms—Per pound 0.35-0.38. Rhubarb—Per pound natural 0.47-0.08. Cucumbers—Per box 18 to 20 1.14-1.90. Tomatoes—Per pound English 0.25-0.30.

COTTON

COTTON, Liverpool—Spot and shipment sales amounted to 100 tonnes, bringing the total for the week so far to 177 tonnes, reports F. W. Tattersall. Minor replenishment needs were again under review mostly in Latin American and Middle Eastern growths.

PALM OIL

LONDON PALM OIL—Three lots traded in a very quiet market, Sime Darby reports. Light trading was seen in the physical sector, but there was generally an underlying firmness in both markets. Close: June 400-375 nom., Aug. 395-380, Oct. 385-380, Dec. 382-384, Feb. 382-373, April 382-378, June 382-378.

*

GRIMSBY FISH—Supply very poor, demand fair. (Prices at ship's side, unprocessed, per stone): Shell cod £3.50-£4.10, plaice: large £3.10, medium £2.20-£2.70, best small £1.00-£4.00. Skinned dogfish medium £3.00, large £3.30. Lemon soles £2.00. Rockfish £1.90.

*

COPRA—Philippines: April and May $[illegible] (resellers) a tonne cif North European ports.

PRICE CHANGES

Prices per tonne unless otherwise stated.

	April 26 1977	+ or —	Month ago
Metals			
Aluminium (a)	£680	......	£680
Free Market (cif)	$1,025-55	......	$1,090-10
Copper			
Cash Wire Bars (a)	£797	—8.75	£855.5
3 months do. do. (a)	£813.5	—8.25	£882.5
Cash Cathode (a)	£788	—9.0	£846
3 months do. do. (a)	£810.5	—9.0	£873
Gold Troy oz.	$147.125	—1.25	$147.875
Lead Cash (a)	£373.75	—7.5	£336.0
3 months (a)	£378.5	—8.75	£347.5
Nickel (a)	£5,181	......	£5,181
Free Market (cif) (lb)	$2.08-.22	......	$2.10-2.2
Platinum (troy oz.)	£97	......	£97
Free Market	£92.2	—1.10	£93.9
Quicksilver (76lb)	$155-162	—11.5	$160-170
Silver Troy oz.	275.15	—5.55	277.2p
3 months	281.55	—5.65	283.45p
Tin Cash (a)	£5,627	—21.0	£5,287.5
3 months (a)	£5,757.5	—30.0	£5,347.5
Wolfram 22.04lb cif	$173-184	......	$172-156
Zinc Cash (a)	£375.75	—1.75	368
3 months (a)	£385.5	—1.25	381
Producers (a)	$795	......	$790
Oils			
Coconut Malayan		......	
Groundnut	£607	......	£685
Linseed Crude (r)	£470	—4.0	£101.55
Palm Malayan	$624	—8.0	$615
Soyabean (u)		......	
Seeds			
Copra Philip (u)	$550	—5.0	$530
Oil nuts Nigerian		......	
Linseed Can. No. 1	£221	......	£101.75
Grains			
Barley EEC	£86	......	£85.5
Home Futures	£84.6	......	£83.8
Maize			
French No. 3 Am	£85.25	......	£84.5
S.A. Yellow		......	
Wheat			
No. 1 Red Spring	£87.25	......	
No. 2 Hard Winter	£70.55	......	
Australian (a.q.)		......	
English Milling (u)	£95	......	£91
Cocoa Shipment	£2,293	—22.5	£2,350
Futures July	£2,165.5	+3.5	£2,263.5
Coffee Futures			
July (u)	£3,787	—134	£3,825.5
Cotton 'A' Index			
[illegible]	84.4	—0.55	87.25
Jute UABC (u)	$414	......	$414
Rubber kilo	51p	+1.0	52p
Sisal NA3L (u)	$600	......	600
Sugar (Raw) (u)	£149	—2.0	£129
Woolt'ps 64s Warp	290p	......	297
Cloves (Malagasy)	$5,000	......	$4,000
Pepper White (ton)	$3,025	......	2,900
Black (ton)	$2,503	......	$2,600

* Nominal. † Seller. ‡ Unquoted. § Unofficial close. ♣ Indicative price. a Seller's quotation. b U.K. and Commonwealth refined. e Uganda Robusta standard grade indicative prices f.o.b. Mombasa. U.S. cents a pound. † Bangladesh white "C" g Ex-tank London/Hull. h June-July. i May. j April-June. k May-July. m April-May. n May-June. l June. w July-August.

FINANCIAL TIMES			
April 25	April 22	Month ago	Year ago
272.02	275.93	277.72	212.71

(Base: July 1, 1952=100)

REUTER'S			
April 26	April 25	Month ago	Year ago
1724.0	1735.0	1726.2	1424.0

(Base: September 18, 1931=100)

DOW JONES	April 25	April 22	Month ago	Year ago
Spot	427.84	432.15	428.38	328.91
Futures	405.83	411.14	419.25	316.43

(Average 1924-25-26=100)

MOODY'S	April 25	April 22	Month ago	Year ago
Spot Commod.	940.8	943.3	958.1	910.2

(December 31, 1931=100)

HIDES—Birmingham. Steady with moderate quantities unsold. Ox 31-35½ kilos 56.3p per kilo, 26-30½ kilos 64.9p, 22-25½ kilos 73p. Light cows 69p. No Calf offered.

U.S. Markets

NEW YORK, April 2[illegible]

Cocoa—Ghana spot 188 (186). Ba[illegible] spot unavail. May 159.50 (162.66), J[illegible] 154.50 (157.98), Sept. 150.00, Dec. 14[illegible] March 136.35, May 132.55, July 12[illegible] Sept. 124.40 nom. Sales: 1,361.

Coffee—"C" Contract: May 31[illegible] (309.00), July 318.00-317.00 (315.30), S[illegible] 320.00-319.50, Dec. 314.00-315.00, Ma[illegible] 318.00, May 308.50-309.00. Sales: 1,23[illegible]

Copper—April 63.80 (64.40), May 6[illegible] (64.30), June 64.40, July 64.90, Sept. 6[illegible] Dec. 67.20, Jan. 67.60, March 68.40, M[illegible] 69.20. Sales: 5,382.

Cotton—No. 2: May 75.50 (76.26), J[illegible] 76.00-76.25 (76.42), Oct. 72.20, Dec. 6[illegible] 69.11, March 69.50, May 69.90-70.00, J[illegible] 70.10-70.30, Oct. 69.00-69.20. Sales: 4,[illegible]

†Lard—Chicago loose unavail. (24.[illegible] New York prime steam 26.50 tra[illegible] (26.25 nom.).

‡Gold—April 147.00 (149.40), May 14[illegible] (149.90), June 148.30, Aug. 149.80, [illegible] 151.30, Dec. 152.90, Feb. 154.60, A[illegible] 156.30, June 158.00, Aug. 159.70. Sa[illegible] 2,315.

†Maize—May 247½-247¾ (251½), [illegible] 250½-250¾ (255), Sept. 255, Dec. 255[illegible] March 263, May 267.

‡Platinum—July 162.70 (163.50), [illegible] 165.70 (166.50), Jan. 168.60, April 17[illegible] July 174.50. Sales: 199.

‡‡Silver—April 478.50 (483.60), [illegible] 475.70 (483.10), June 479.40, July 48[illegible] Sept. 486.30, Dec. 493.90, Jan. 49[illegible] March 501.70, May 507.00, July 51[illegible] Sales: 28,000. Handy and Harman [illegible] 477.00 (486.00).

Soyabeans—May 1,031 asked (1,0[illegible] July 1,015-1,015 asked (1,045), Aug. 9[illegible] 993 asked, Sept. 909-911, Nov. 727-[illegible] Jan. 730-730½, March 734, May 733, [illegible] 735.

Soyabean Oil—May 30.25 (31.23), [illegible] 30.60-30.70 (31.58), Aug. 30.52-30.55, S[illegible] 29.82-29.65, Oct. 28.20-28.25, Dec. 2[illegible] 27.42, Jan. 27.20, March 27.00, May 2[illegible] July 26.00.

//Soyabean Meal—May 294.00-2[illegible] asked (314.60), July 293.20 asked (30[illegible] Aug. 287.70 asked, Sept. 237.30 as[illegible] Oct. 204.50-203.50, Dec. 191.00-190.50, [illegible] 190.00-189.50, March 190.00, May 19[illegible] July 193.00.

Sugar—No. 11: Spot 10.60 (10.80), [illegible] 10.44 (10.84), July 10.80-10.82 (10.95), [illegible] 10.50-10.75, Oct. 10.75-10.73, Jan. 1[illegible] 10.90, March 10.79-10.75, May 10.71-1[illegible] July 10.68-10.65, Sept. 10.85-10.88, S[illegible] 6,153.

Tin—449.00-454.00 asked.

WINNIPEG, April 26. ††Rye—[illegible] 99.20 (99.00 bid), July 101.30 a[illegible] (101.50), Oct. 103.60 asked, Nov. 1[illegible] nom., Dec. 101.90 nom.

††Oats—May 90.00 (90.30 bid), July [illegible] asked (89.70 bid), Oct. 88.00 asked, [illegible] 88.00 nom.

†Barley—May 94.90 (95.40 bid), [illegible] 94.50 asked (94.60 asked), Oct. [illegible] asked, Dec. 94.40 asked.

dFlaxseed—May 349.50 bid (344.00 [illegible] July 359.00 asked (341.50 asked), [illegible] 321.50 bid, Nov. 319.50 bid, Dec. 3[illegible] asked.

**Wheat—May 236¼ (243¼), July [illegible] 264¼ (271), Sept. 272¼, Dec. 283, M[illegible] 294, May 297½.

Wheat—SCWRS 13.5 per cent. pr[illegible] content cif St. Lawrence 372 (374).

All cents per pound ex-warehouse un[illegible] otherwise stated. * Cents per 60-lb bu[illegible] ex-warehouse. ♦ $'s per troy ounce—[illegible] ounce lots. †Chicago loose $'s per 100[illegible] —Dept. of Ag. prices previous [illegible] Prime steam f.o.b. NY bulk tank [illegible] ‡ Cents per troy ounce ex-wareh[illegible] § New "B" contract in $'s a short [illegible] for bulk lots of 100 short tons deliv[illegible] f.o.b. cars Chicago, Toledo, St. Louis [illegible] Alton. ‡ $s per troy ounce for 50-o[illegible] units of 99.9 per cent. purity delivered [illegible] **Cents per 60-lb bushel in store. ††C[illegible] per 56-lb bushel ex-warehouse, [illegible] bushel lots. c Cents per 24-lb bu[illegible] ‡ Cents per 48-lb bushel ex-wareh[illegible] 5,000 bushel lots. d Cents per 56-lb bu[illegible] ex-warehouse, 1,000-bushel lots.

U.S. AMBASSADOR FOR PARIS NAMED

WASHINGTON, April 26.

ARTHUR HARTMAN, Assistant Secretary of State for Europe, will shortly be named Ambassador to France by President Carter, Administration officials said to-day.

Mr. Hartman, 51, is a career Foreign Service officer [illegible] served as Assistant Secretary of State for Europe in the F[illegible] Administration before being appointed by President Car[illegible]

مكرر من الاصل

FINANCIAL TIMES SURVEY

Wednesday April 27, 1977

Hamburg

Hamburg's broadly-based local economy has stood it in good stead—the city state is now the wealthiest region in West Germany. In addition it is one of the country's most attractive cities. ADRIAN DICKS reports.

Flexible in the face of change

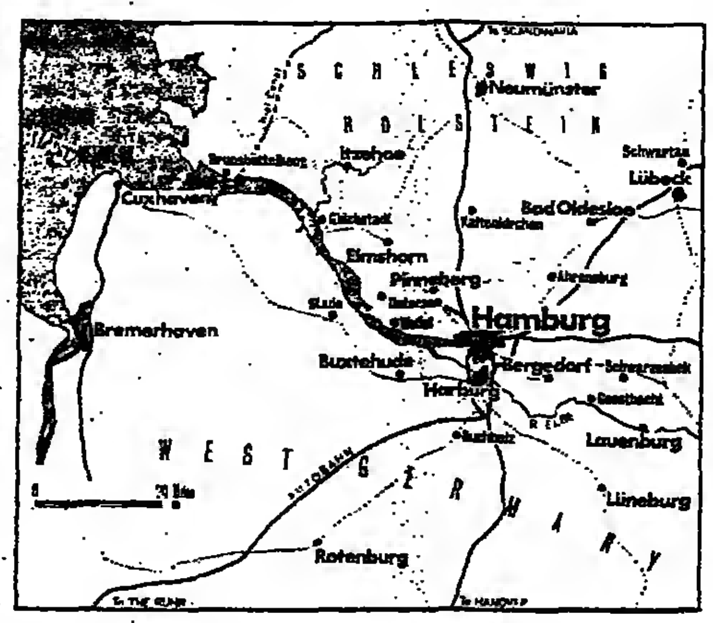
FEW COUNTRIES, regions or communities in the world have titles that express their past histories or present roles as eloquently as that of the Free and Hanseatic city of Hamburg. Yet it is beyond question, thanks to the constitution of the Federal Republic of Germany, which has returned to Hamburg much of the power it accumulated for itself during the Middle Ages. Indeed, with Herr Helmut Schmidt as Chancellor, Herr Hans Apel as Minister of Finance and many other members of the city's social democratic "Mafia" in key jobs in Bonn, the wags can argue that it is Hamburg which is running Germany, rather than Germany which is dictating to Hamburg.

As for the Hansa, the formidable organisation of North German mercantile interests which once virtually controlled the economy of all the North Sea and Baltic region, its modern heirs still represent in Germany the spirit of commercial enterprise and the tradition of trade in every commodity, and with every country, where trade can be done at all. To a degree that surprises many visitors to Hamburg, this highly sophisticated and diversified trading economy is still carried on in a personal, discreet and even secretive manner that would not—other than in its technology—strike Thomas Mann as very different from the magic circle of Hanseatic wealth and influence he wrote about in Buddenbrooks the better part of a century ago.

To other Germans, it is perhaps not surprising that the reserved, discreet style of Hamburg sometimes seems haughty or condescending. There tends to be less philosophising, less soul-searching in conversation in Hamburg: instead, the emphasis is on the practical and the pragmatic, and there is a good deal of talk about money. Such qualities shared may well account for much of the esteem in which Hamburg holds Great Britain—a feeling of common values that seems to apply as much to Chancellor Schmidt and his friendships with leading British labour politicians as it does to the worlds of business and industry. English is almost a second language in Hamburg, while the English style and way of life remain, in spite of Germany's concern at "the British sickness," as popular as ever. Indeed, to watch the tall, thin, elegantly pin-striped members of one of Hamburg's exclusive, all-male clubs, sitting in their deep leather armchairs and savouring their dry sherry, is to feel you are seeing something even more English than the real article.

Yet the impression can be a misleading one. Hamburg is almost a microcosm of modern West Germany, the richest federal State in income per head in a rich country. The seafaring and trading activities of the city still keep their importance, handling about one-fifth of the Federal Republic's entire foreign trade. But the day has long since gone when they were the largest employers or the greatest contributors to the city's wealth. Politically, too, the dominant note has long been that of a moderate, progressive social democratic movement—though as in other parts of Germany, more strident voices to the left are also now to be heard more frequently.

Hamburg nowadays is the second largest industrial city in Germany, after Berlin, and its largest single activity in terms of numbers of jobs is the electrical engineering sector, followed by machinery building and mechancial engineering, with shipbuilding only in third place, narrowly ahead of chemicals.



Succeeded

Beyond this, however, Hamburg has succeeded to a greater extent than perhaps any other single West German city in gradually acquiring the feeling and the infinite miscellany of activities that go to make up a true metropolis—which Germany lost with the division of Berlin and has never really regained. Much of the West German Press and publishing industry resettled in Hamburg, among others the major weeklies such as Die Zeit, Der Spiegel and Stern. Radio and television, recording music publishing and advertising tend to be centred here. So is much of West Germany's film production, and some of its best theatrical and musical performances.

Hamburg is one of the most attractive of German cities, although heavily damaged during the war. In the old centre around the Inner and Outer Alster lakes, an agreeably old-fashioned scale has been maintained, so that copper roofs and church steeples are still the dominant features of the skyline. Not that the city has entirely escaped matchbox style office blocks, but it has tried to spread new development outside the centre, with much of the international oil industry, for instance, now installed in brand new quarters close to the Fuhlsbüttel Airport. Meanwhile large 19th century residential areas survive and have been scrupulously refurbished. For all that it is one of the most built up of the West German states, Hamburg has a lot of greenery and green space—and, in the southern suburbs, even a flourishing agricultural sector which used to supply early fruit and vegetables to the Imperial court at St. Petersburg.

Hamburg's present policy, according to the Senator in charge of economic affairs, Dr Wilhelm Nölling, is to try to broaden the economic base still further. Diversification, as has been the experience of other metropolitan areas with a large service and distributive function, acted to some extent as a protection during the recent recession, so that Hamburg's unemployment has consistently remained appreciably lower than that of the country as a whole. The other side of the coin, however, has been a more sluggish growth performance. In 1976, when West Germany as a whole increased gross national product by 5.5 per cent., that of Hamburg was up by only 4 per cent.

Concern

In addition, there is room for serious concern at the present state of several of the main industries on which the city depends. Shipbuilding in Hamburg, as everywhere in Europe, is threatened by the continuing world slump in new orders, despite heavy investment in recent years in new facilities. Electrical and mechanical engineering have yet to feel the benefits of any really strong recovery in West German domestic business confidence. Aircraft building, on which Hamburg pinned high hopes with the original European airbus programme, is also suffering from a lack of new orders and from fresh uncertainty about the future of the industry's long-hoped-for plans for increased European co-operative ventures.

And even in the realm of international trade, where Hamburg is strongest, there is anxiety at the threat posed by cut-price East European shipping, at the disruption that might be caused to traditional business by a multilateral attempt to regulate trade in raw materials and, not least, at the faint but unmistakable signs of revived protectionist sentiment in the United States.

Hamburg has other worries on its own doorstep. The city-state itself has been losing population over the past decade or so, mainly to the smaller towns that lie across its borders with Schleswig-Holstein and Lower Saxony. From 1.86m. people in 1964, the population of Hamburg itself has fallen to 1.7m. this year, although the population of the Greater Hamburg area, according to the State statistical office, has remained virtually unchanged at around 2.8m. In part, Hamburg can blame high rents and residential property prices for this trend, but the state Government is also bitter about the inducements being offered to firms to move out to neighbouring communities. Hamburg's hopes of seeing some sort of permanent body set up by the North German states in order to air these and other regional problems have not, however, borne much fruit up to now.

With elections coming up in May, 1978, Hamburg's Social Democrat-Free Democrat coalition, under the leadership of Herr Hans-Ulrich Klose, is making the creation of new jobs, through the encouragement of new industrial investment, its highest priority. This week, Herr Klose, Dr. Nölling, and other leading members of the Hamburg Senate and business community are in the U.S. seeking to interest potential investors in Hamburg as an industrial location, as well as in making its facilities as a port and distribution centre better known.

Costly

For home consumption, meanwhile Herr Klose said in a recent Press interview that Hamburg must learn to live within its means: the money to pay for the city's good, yet ever more costly, social services as well as for its economic infrastructure, must be earned before it could be spent. Hamburg's budget will once again require the financing of a deficit of close to DM400m., but the Senate is also committed to economy measures to bring this figure down.

It remains to be seen how this more changeable economic climate will affect voting patterns next year. In private, neither the SPD nor the FDP care much for the coalition (a mutual sense of boredom and frustration that closely reflects feelings about the coalition at federal level in Bonn). Yet the Social Democrats themselves see little chance that they can regain the absolute majority they once enjoyed in Hamburg, and the prospects are therefore that the present administration will endure unless Hamburg's Christian Democrats can win something close to a landslide or can persuade the FDP to change its allegiance as it has done in neighbouring Lower Saxony.

The maritime tradition

HAMBURG OWES its existence and its prosperity more to the sea than to any other single factor. That is a truism that still holds good, in spite of the enormous broadening of the economic base that has taken place since World War II, and of the determined effort which the city government and business community are making to provide new jobs in industry. The port and its ancillaries are no longer the largest single employer, yet they still provide about 50,000 jobs directly, with an estimated 100,000 more indirectly dependent upon port activities.

At first sight, Hamburg's situation 110 kilometres inland from the mouth of the Elbe, or a little further from open deep water than the Port of London, would seem to be a disadvantage in an era of ever larger vessels, demanding to be serviced more and more rapidly. No less unfavourable might have been the city's position on the northern fringe of continental Europe's principal industrial region.

In order to overcome these disadvantages, Hamburg has had to invest a great deal in deepening the Elbe, providing new freight-handling facilities, strengthening the economic infrastructure and—above all—selling its advantages hard both to its traditional customers and trading partners and to new ones.

Total trade handled in 1976 is likely to have passed the 50m. tons a year mark (once complete figures are available), and may even have equalled the pre-recession record figure of 52.3m. tons which the port registered in 1974. Within this overall performance, which reflected a broader improvement in West Germany's external trade performance last year, Hamburg saw an especially sharp 25 per cent. growth in container business. In the first 11 months of 1976, the volume of goods shipped in and out of the port in containers rose to 3.2m. tons from 2.4m. tons during the same period of 1975.

The port now boasts two container terminals, one operated by the publicly-owned Hamburg Port and Warehouse Company and the other by private shipping interests. The larger of these, in which the Port and Warehouse Company (HHLA) has spent some DM300m. has, however, shown such rapid growth that the port authorities are already working on plans to build another huge terminal. The problem here is less of money than of space, but port and city officials have their eyes on the Altenwerder area which lies on the south branch of the Elbe, adjoining the new Hansaport ore and bulk goods terminal. Before work can start here an agreement will have to be reached on compensation for the few hundred inhabitants of Altenwerder and for the prosperous orcharda and market gardens they work (there is an unhappy precedent here in the now famous dispute between the Reynolds aluminium smelter and rolling mill, just west of Altenwerder, and a local flower grower).

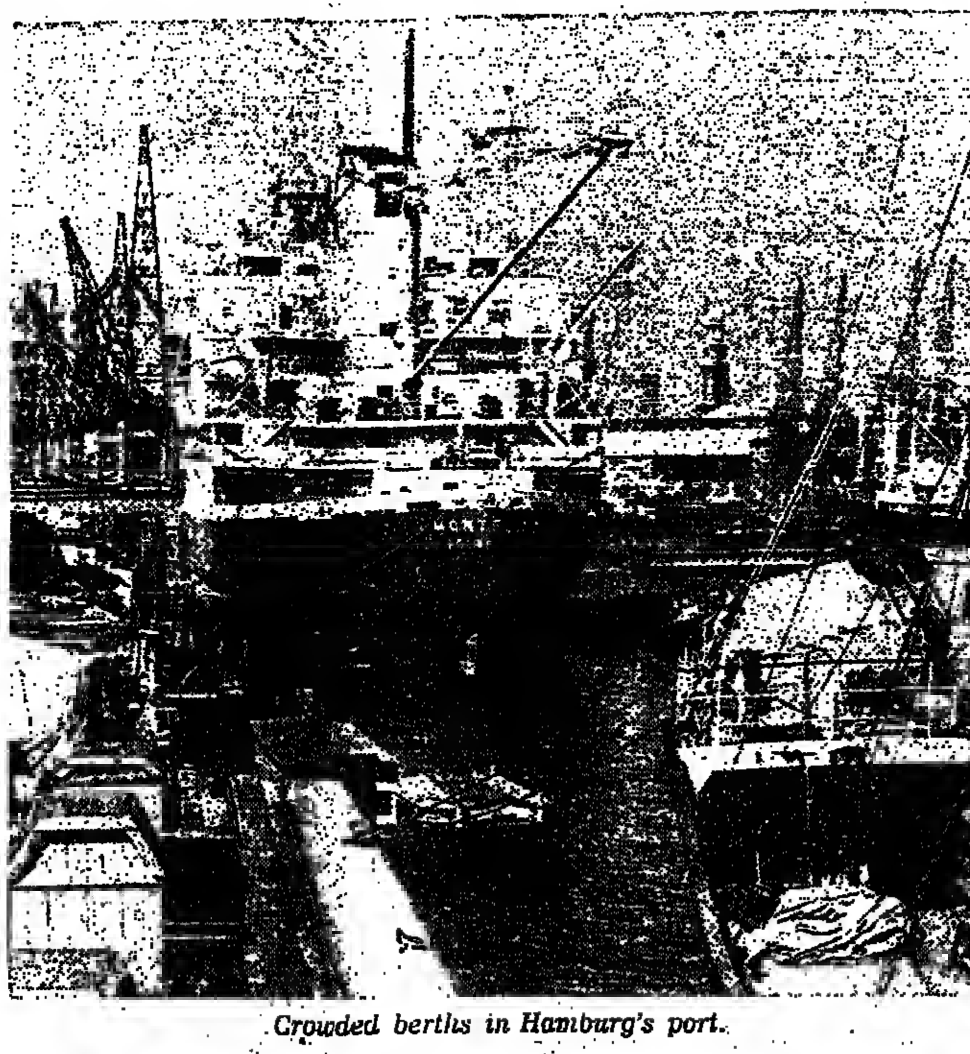
Pride

Meanwhile the Hansaport, in full operation for only a few weeks, is Hamburg's pride and joy. More highly automated than any comparable facility in the world, it has an initial capacity of 8-11m. tons a year, soon to be enlarged to 12-15m. tons. A 100,000-ton ore carrier can be fully unloaded in three days. The Hansaport is a joint venture between the HHLA and Salzgitter, the West German Government-owned steel and engineering group, which will take up roughly 5.5m. tons of iron ore a year, with much of the remainder being shipped to Austria and to East Europe. The facility has cost the two partners DM110m. between them, while Hamburg itself has contributed a further DM55m. in infrastructural costs.

Even with the further dredging of the Elbe which is now planned for the benefit of the latest generation of container ships and ore-carriers, Hamburg will not be able to take vessels with a loaded weight of much more than 110,000 tons. This clearly threatens to be a long-term handicap, should the trend towards larger vessels continue, not so much for containers and iron ore as for crude oil tankers, which bring half of West Germany's imports through the port of Hamburg—some 17m. tons a year of crude and products before the oil crisis.

Given this volume of trade, and the fact that the West German refining and distribution pattern cannot be changed overnight, Hamburg is probably in no immediate danger of losing business. In the longer term, however, it is proposing that, in conjunction with the Federal Government and with the other West German states with North Sea coastline, a new deepwater port should be planned around the small island of Scharhoern, some 15 km. offshore from Cuxhaven at the mouth of the Elbe.

It is an old ambition of Hamburg's to match its rival city-state, Bremen/Bremerhaven in having an enclave of its own on the North Sea. Some years ago it took a lease from Lower Saxony on 100 square kilometres of mudflats around Scharhoern, and it has carried out extensive studies towards the new deepwater terminal. Yet there are certain to be objections both from those who would like to see the island maintained as a wild-life sanctuary, and from the mainland seaside resort towns. Hamburg's efforts to secure its own supertanker facilities are clearly only in their earliest stages.



Crowded berths in Hamburg's port.

Shipyards diversify

BESIDES ITS direct role as a port, Hamburg has long been important in the world as a builder of ships and as a city that owns and operates them. Yet while the hesitant West German economic recovery of the past 18 months has seen activity in the port pick up, these two branches have continued to experience hard times.

By coincidence, Blohm und Voss, one of the major Hamburg survivors of the West German shipbuilding industry's wave of rationalisations in the late 1960s and early 1970s, celebrated its centenary earlier this month. With no sign of an improvement in the slump that has hit the industry everywhere in the world, the occasion was hardly among the happiest in the long and distinguished history of the yard that built in the course of its history such vessels as the Vaterland in 1914 and the battleship Bismarck in 1940.

Like its counterparts in every European country, the West German shipbuilding industry is anxiously waiting for some sign of concrete progress from the inter-governmental negotiations with Japan within the Organisation for Economic Co-operation and Development (OECD) in Paris. And, no less than its counterparts in other European countries, the West German industry tends to feel that Japan has primarily itself to blame for the massive, and seeming chronic, over-capacity in world shipbuilding.

Yet West Germany may still be better off than some other countries. A wave of mergers in the past decade has strengthened the industry at a financial level, while among the Hamburg yards Blohm und Voss is controlled by the Thyssen steel group and Howaldtswerke-Deutsche now belongs to Salzgitter. year will moreover, see the pletion of the final DM slice of an investment gramme by the West Ge shipbuilding industry nearly DM1.5bn. (£360m.) 1973. The industry pride that this sum, which am to 5.3 per cent. of its tu in 1975, was considerably h than the average of 4.6 cent. of turnover investe West German industry whole.

Strong

The result of this has be put the West Germans potentially strong positio and when orders recover money has been spent to the new facilities neede construct the increas specialised and sophisti ships which German yards tried to excel in, and have to some extent prot them against the worst sequences of the world slu

Hamburg yards have able to diversify further making a strong bid for the shore oil exploration bus including drilling rigs and forms, drilling ships, pipel and crane vessels, support and ancillary equipment kinds.

No less important has the contribution of Hamburg shiprepairing dustry, a natural coroll the port itself, in mainta the level of employment i industry. Not to be forg too, are the score of sm shipyards that speciali barges, harbour boats and smaller craft.

Shippers hit by price cutting

AS GERMANY'S largest port city, Hamburg has long had control over much of the merchant fleet, from the period of the Hansa's commercial supremacy, through the golden age of the clippers in the 19th century and the era of trans-Atlantic passenger liners in the first half of the present century, to the current generation of highly sophisticated and increasingly specialised cargo vessels. About 70 per cent. of the current West German merchant vessels in registrations, and about 64 per cent. in terms of tonnage, is owned by Hamburg shipping lines.

About 300 liner services regularly use the port, linking it with nearly 1,000 others in every part of the world, and there are an average of 600 sailings from Hamburg every month.

Worries

If Hamburg's shipbuilders have their worries at the continuing slump in world demand, so do their customers the shipping lines. The single problem that overshadows the entire industry is the strong and increasingly widespread competition being offered by East European shipping lines. West Germany is a country which always tends to be sensitive to whatever wind is blowing from the direction of Moscow, and in the case of the shipping rates war that is now in full swing, its business community is in no doubt at all the objectives of the Soviet Union and the other East European countries are political as much as they are commercial.

There is no way, Hamburg shipowners say, in which any Western shipper can in the long term compete against price-cutting to the extent of 40 and 50 per cent. from rival shippers who are not obliged to make profits in order to stay in business. Nor do the Germans see any commercial strategy with which to fight back. They feel that the problem is one that must be confronted by all the Governments of Western shipowning countries, perhaps under the auspices of the OECD, and laid on the table when it can be reviewed in the widest possible context of East-West relations, both political and economic.

East European competition has made itself felt in two different areas, though the end result in both for the West German shipping industry's fortunes is the same. First, it has become increasingly severe in trade with the developing countries, whose balance of payments situations are seldom such that they can easily turn down the cheapest freight offer. Second, it has become more common in trade between East European countries and West Germany itself for the East Europeans to insist on using their own shipping—again, with the advantage of saving scarce hard currency.

It is here that West German shipowners often meet with embarrassment and with the retort that they are overstating their case in seeing lower freight rates as a Communist threat to the existence of the West. In the 12 months up to September 1976, Hamburg had an 18 per cent. share of West Germany's imports from the Socialist bloc countries, and a 5.5 per cent. share of its exports there. Business relationships between Hamburg merchants and Russia, the Baltic states, Poland and Czechoslovakia go back as long as the city has been in existence as a trading centre. It is hardly a matter for surprise, in the view of those who speak for the port and for the import-export trades, that the sellers, merchants and customers who have inherited these venerable links between Hamburg and the vast eastern hinterland should now take advantage of the cheapest shipping facilities they can find.

Moreover, what is true for sea-going shipping is no less true for inland waterways, though these have fallen off in recent years by comparison with rail and road freight movements. The problem here for Hamburg is the low level of water during much of the year on the Upper Elbe, while considerable dislocation was caused by last year's disaster when the brand new by-pass canal burst its banks and flooded a large area around. Barge and river-craft operators are still left, however, with the problem of systematic price cutting by their East European trade partners, and the hope is that the Bonn Government will take up the whole matter at a political level.

The long tradition of trade and finance

URG'S THOUSANDS of ndent trading firms, ants in both the oldest west senses of the word. e the iogredient of ise that has given the city ique place in the West n economy. They are no , it is true, unchallenged rs of Hamburg's activities. nterprises of shipbuilding, inancing and ship owner- to say nothing of the hand sophistication of the sing and distrihution of commodities that pass h the port, are nowadays rs for Governments, major and international cor- ions. A few of the urg "merchant princes," s in the days of the Hansa, ll operate their own ships, se them to carry cargoes they process and market elves: the huge grain f Alfred C. Toepfer, with stimated annual turnover er DM5bn., is only the int of these.

most of the Hamburg g firms no longer function uite this grand manner. role is that of the vital rmediary between buyers sellers on opposite sides e globe, using their special ledge of industrles and of kets to advise, to trade and natch supply and demand. y play a large part in secur- for Hamburg no less than er cent. of the entire foreign e of West Germany, and gh accurate figures for the e of their services as such hard to come hy, a recent mate by Die Welt put the e which passes through ir hands at DM50hn. a year.

ifficult

eyond these very broad facts ecomes difficult to generalise ut the trading firms, for each own mix of husiness, ing either in a foreign or group of countries American, African or stern, for example—or particular products or ials. In some cases there little to link these activi- eyond a trader's flair for ng and using an oppor- y. One frequently-quoted ing incongruity, for ple, is that of the leading importer, who is also the ibutor in Germany for a r French hrand of perfume. r houses, originally speciali- in the importation of raw rials into Germany, have the growing industrialisa- of many producer countries d themselves also handling erous manufactures as well. s all this suggests, the ort-export business in Ham- g, no less than its counter- part in Londoo, is an area where contacts, experience and quick thinking are the qualities that count for most. According to the records of the Hamburg Wholesale and Foreign Trade Federation (WGA), there are no limited companies among the trading firms, and none that have any financial link with industrial groups. Nearly all are family run or are partnerships, and the major houses such as Toepfer, Mahanaft, Karl O. Helm or Coutinho, Caro notwith- standing, the average size is only 20-40 staff. No one knows exactly how many individual businessmen there may he in Hamhurg working on their own or with one or two people, for it is a characteristic of nearly all the trading firms, from the smallest to the largest, to shun even the suggestion of puhlicity about themselves or their affairs.

That is an understandable position on the part of meu whose most precious asset is their expert know-how. Yet there are certainly some among them who see the need to speak out in defence of the indepen- dent export/import firms' eco- nomic role. It has come under pressure, like much else, from the recession in world trade between 1974 and 1975.

In hard times it has hecome more imperative than ever for independent traders and brokers to adapt themselves to changing trade patterns—for example, the more important share in West Germany's foreign trade that is now taken by manufac- turers, rather than raw materials, and the resulting decline in the relative impor- tance of Hamburg's traditional special preserves overseas, measured against the growth of trade within Europe and with North America. Yet this relative change has led many industrial exporters to dispense with the services of middlemen when they are able to deal with custo- mers at relatively close quarters and in countries with sophisti- cated and increasingly familiar business practices.

As they try to find ways to adapt to this situation, Hamburg firms feel they have an advan- tage in their small, personally- run structure and in the flexibility this brings. They feel they can, above all, offer advice that will reduce the risks of currency fluctuations, credit problems and other snags. They also helieve they can provide, especially to smaller exporters, the type of after-sales service to customers ahroad that secures a lasting share of the market— and that, for West German industry, struggling with an ever-dearer Deutschemark, is particularly important to achieve.

Whether the trading firms can successfully meet this chal- lenge remains to be seen, though the gradual contraction in recent years in the membership of the WGA suggests that their ranks are heing thinned out. A Hamhurg writer who has made a study of the trading firms, Herr Klaus Broichhausen, sug- gests that they should now be more prepared to co-operate with one another; if net actually to look for ways to merge their interests, hoth as a way of making hetter common cause against the formidable competition of the Japanese trading houses and as a means of using their own financial resources to better advantage.

Close

It also seems possible that Hamburg can huild further on the close relationship that has existed in the past hetween its expert trading houses and the banking institutions that have grown up alongside them— indeed, in a good many cases, under the same roof. No less than in London, the term "mer- chant banker" precisely des- cribed the early evolution of a group of men who combined the functions of hankers, traders and shipowners. Hamhurg is fond of pointing out that in 1619, Hanseatic merchants sought to protect themselves against rapid devaluation of the currency then in circulation by creating a hank in which their payments were cleared entirely in terms of a paper unit, the Mark Banco. They set up what amounted to the world's first Giro system.

Hamburg's growth into a centre specialising in foreign trade, especially that with dis- tant and relatively little-known parts of the world, led to a similar degree of specialisation on the part of its hanking com- munity. Well before the end of the 19th century, institutions had been formed that special- ised in dolng banking husiness with particular countries and regions. Meanwhile the internal growth of the city during the 19th century produced new pres- sures of its own, and Hamburg can claim to have heen among the first communities to meet the needs of a growing popula- tion with savings banks as early as the 1820s.

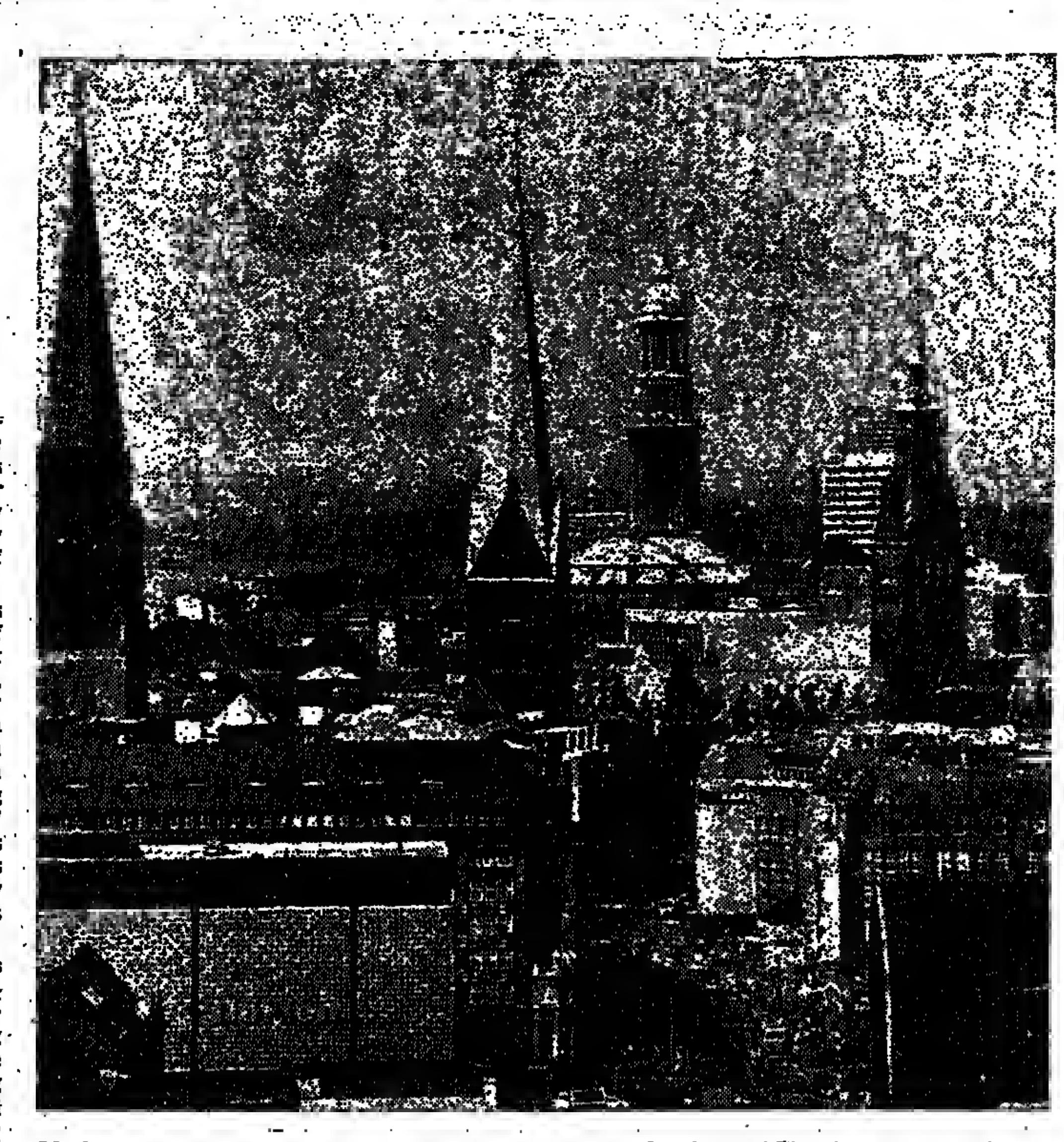
To-day, the Hamburg banking business is, of course, an integral part of the national picture. The scene is dominated by the same hig names familiar in every West German city, and these major banks have for some years had controlling interests in several of the larger of the old-estahlished Hamburg foreign trade hanks such as that of Dresdner in Deutsch-Südameri- kanische Bank or the Deutsche Bank in Deutsche-Uberseeische Bank. Changes in the owner- ship of the specialist banks has not altered the type of business they do, though it has of course had the advantage of putting a good deal more financial hacking behind them.

Direct financing of export and import transactions pro- vides much of the hread and hutter of Hamhurg bankiog, and hand-in-hand with this goes much of the foreign currency husiness that is created by trade. In happier times, Ham- hurg could also proclaim itself the centre in West Germany (and for much of Europe) of shiphuilding and ship-owning financing — an area in which some of the city's hankers are known to have suffered heavy losses with the past year or two as a result of the difficulties of several major shipowners.

Long experience of overseas markets has also made Ham- burg hankers a valuable source of information which they have naturally used to advise clients making direct investments over- seas, as well as in the evalua- tion of borrowers coming to the international capital markets (though neither Hamburg nor any other West German city apart from Frankfurt can truly be described as a centre of Euro-market business).

Meanwhile the survivors among the private bankers of Hamhurg, after the shaking-out processes of recent years, appear to be holding their ground well. Around 30, with husiness that varies widely in its size, are currently to ba found, most of them working within the "old Hamburg" circle of independent traders and shipowners that still seems to account for a surprisingly high proportion of Hamburg's wealth and economic activity.

The number of foreign banks in the city has also been grow- ing, with a total of 16 at the end of last month, including British, U.S. and Japanese institutions. The doyen among them, the Hongkong and Shanghai Bank, has been in Hamburg since before the turn of the century.



Modern office blocks are dwarfed by the towers and spires of Hamburg's churches and Rathaus.

Growing conference centre

FAIRS AND congresses are an intensely competitive husiness among the major cities of the world, and nowhere more so in Europe than in West Germany. At first sight, it would seem to he an impossihle task for a relative newcomer to get a foot- hold, given the long traditions of such events as the Hanover, Cologne and Leipzig fairs, to say nothing of the strenuous efforts being made by such cities as Berlin (West and East alike) to estahlish themselves and the exhibitions they sponsor as per- manent fixtures on the inter- national business calendar.

Hamburg has some events of its own, notably the Inter- national Catering and Hotel Exhibition, Internorga, that date hack to the 1920s. But when in 1973 it built a brand-new con- ference centre at the Dammtor, close to the existing exhibition halls, it was taking a consider- able gamble. Its strategy has heen to seek to create new busi- ness for itself, rather than to muscle in on what other cities are already fighting hard to win from one another. In the main, this has heen done on the prin- ciple that the city should con- centrate on those areas of inter- national business which it knows hest.

The sea, not surprisingly, comes out as the single most important common feature of the exhibitions, fairs and con- ferences which Hamburg has heen working hard to make its own. Two of these, usually arranged consecutively, are the European Marine Trade Exhi- hition and the German Inter- national Boat Show. On next year's calendar are the Exhibi- tion and congress on the Ship, Machinery and Marine Tech- nology, which will be held simultaneously with the Inter- national Oil Pollution Exhibi- tion and Conference.

Widely

As their names suggest, these twin events will range very widely over the entire field of maritime activity, with what the organisers claim will be one of the world's largest concentra- tions of exhibitors of offshore oil exploration and production hardware. Hamburg wants to see the emphasis put as far as possible on the practical and the husinesslike: as one of the Hamburg Fair and Congress Company's brochures puts it "a congress is not a rest cure." The hope is that with the close physical proximity of Congress Centre and Fair halls, the practical and the abstract will be especially closely interwoven.

Such is also part of the reasoning behind the most ambitious event on the city's horizon, the International Trans- port Exposition, IVA '79, which will open in just over two years' time. Hamburg sees the staging of this as a natural consequence of its development in recent years as a transport and com- munications centre not only for water-borne traffic, but also of railways, motorways and air routes. It hopes that an added attraction for visitors to the exhibition will be the oppor- tunity to tour, within the city itself, some extremely modern installations, among them the port's new container, roll-on/ roll-off and automated ore handling installations, the newly-expanded underground, and the Bundesbahn's sophisti- cated new marshalling yards. Here, too, Hamburg wants to make sure that the occasion will be one when businessmen can appraise, huy and sell, and not merely a showcase of futuristic gadgetry. Not that even hard- headed Hamburg can entirely resist the glamour of new technology; among the attrac- tions will be a short stretch of mono-rail ferrying visitors within the exhibition grounds.

While it sees maritime and transport events as the strongest of its natural markets, Hamburg can also boast a very wide spread of other fairs and con- ferences, and has been lucky to attract a good many gatherings of scientists, engineers and doctors of the type that are relatively independent of the vagaries of the business cycle.

Working

Here, too, Hamburg is con- cerned to stress that it is interested in the "working congress", rather than the excuse-for-a-holiday type of convention. The reason here is not only Hanseatic preference for keeping business and relaxa- tion separate: as Hamburg conference experts see it, the 1976 U.S. Tax Reform Act has made it considerahly more difficult for individual congress- goers to set their expenses off as income tax deductions. Ham- burg believes that its efforts to concentrate on more workman- like events can only benefit from the restrictions imposed by the new Act.

Yet none of this carefully expounded strategy could turn Hamburg into a fair and con- ference town without the existence of the right facilities. The city dug deep into its pockets in the early 1970s to help provide these, and the Congress Centre itself is the result. At a cost of some DM140m., in fact, it seems a bargain by comparison to what is being spent in some other cities. The centre itself is elegant, flexible in its space arrangement and colour-coded so that even the most pre- occupied participant would have a hard time straying into the wrong forum.

The centre has a large hotel of its own and is within a few minutes of most of Hamburg's 16,000 hotel beds. It also has the advantage of a central location, extensive car parking and a main line station on its door- step. In between conferences, the city has acquired three handsome auditoriums for theatrical, musical and social events.

STOCK EXCHANGE REPORT

North Sea oil hopes help equity rally after dull start

Share index up 2.0 at 421.0—Gilts ease—Shell fluctuate

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Apr. 12	Apr. 21	Apr. 22	May 3
Apr. 25	May 5	May 6	May 17
May 9	May 19	May 20	May 31

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Leading equities opened cautiously yesterday, but picked up to end with small overall gains on balance helped by the Department of Energy forecast of a faster-than-expected build-up of North Sea oil production over the next two years. The slow start followed Monday's easier showing and the overnight weakness on Wall Street, that centre reflecting worries about a possible tightening of credit and a higher inflation rate. Thoughts that the trend to cheaper money in the U.K. may be halted by a further narrowing of the differential in U.K./U.S. interest rates off-set a slightly better feeling about the prospect of reaching agreement on Phase Three following the shopworkers' union's decision to accept the principle of wage restraint. Gilt-edged also opened on a dull note, but quotations here closed above the worst although with fairly widespread losses which extended to ⅜, after ½, in long-dated issues. The Government Securities index receded 0.23 more to 68.38.

The recovery movement in the equity leaders was measured by a 3.8 loss in the FT Industrial Ordinary share index at 11 a.m. and a gradual improvement thereafter to a close of 2 points up on balance at 421.0. Second-line equities tended to lag and falls outnumbered rises in FT-quoted stocks by 4-to-3. Official markings of 5,905 showed a reduction in business when seen against the previous day's 6,500 but compared favourably with the week-ago level of 5,035.

Company trading statements were more numerous and provided scattered pockets of interest, while potential and actual special situations continued to claim much of the attention. Properties were prominent in this respect; the FT-Actuaries sector index rose 3.9 per cent. to 180.68 with recent buying on the trend to cheaper credit given a boost by a broker's circular. The three main FT-A indices showed much more modest gains, the All-Share being up only 0.1 per cent. to 176.78. After Monday's dullness following the Ekofisk disaster, Oils were steadier on hopes of an early success in the capping attempt; the feature here, however, was provided by Shell which touched 525p on hopes that the group may qualify for exemption from dividend control before closing only 4 up on the day at 512p after the announcement that the Treasury had turned the request down.

Gilts subdued

The incentive of lower interest rates, Treasury bills continued to indicate on the market-related formula a Minimum Lending Rate on Friday of 8¼ per cent., failed to enthuse prospective buyers of Gilt-edged. A slightly bearish reading of the general economic scene, despite the Shopworkers' union endorsement of the TUC plan for wage restraint, was responsible for a marking-down at the opening and although there was little pressure at either end of the market a little more ground was subsequently lost. Longer maturities moved lower by ½ among high-coupon issues before steadying at the cheaper levels and closing a maximum of ⅜ easier, while losses of a similar nature were sustained by medium-dated stocks. The shorts also traded on a subdued scale, but were rarely more than 1/16 down, apart from Treasury 14 per cent., 1982, which gave up 1/16 to 114⅞. Corporations were unable to resist the tendency in the main funds, although scattered improvements were to be found, while the recent downdrift in Southern Rhodesian bonds was arrested by the appearance of a buyer.

A late demand for investment currency, backing a desire to invest in U.S. securities, enlivened an otherwise uneventful day and the premium progressed further to close 1½ points higher at 124½ per cent. Yesterday's SE conversion factor was 0.6774 (0.6808).

Insurances better

Insurance Composites took a modest turn for the better. Business was again thin but Sun Alliance hardened 5 to 412p and Royals added 4 at 304p. Brokers displayed contrasting movements in Matthews Wrightson which closed 8 dearer at 234p, and Willis Faber down 11 at 227p. Life issues had Hambro 6 up at 220p.

Little occurred in the Banking sector. The big four drifted down on lack of support, Barclays closing 5 off at 240p and Midland 2 easier at 278p. Discounts also tended to cheapen and Alexanders gave up 3 to 210p, while Union shed 5 to 320p.

Breweries spent a quiet session, Tollemache and Cobbold, at 135p, held the previous day's late bid-inspired rise of 8. Allied, however, shed 1½ to 65½p, while losses of a penny were seen in Whitbread A, 71p, and Wolverhampton Dudley, 145p. Bass Charrington declined 2 to 103p.

Monday's mixed trend was repeated in Buildings. Norwest Holst stood out with a gain of 8 to 74p on renewed buying interest prompted by hopes that the current investigations into the company's affairs by the Department of Trade will reveal nothing detrimental. Newarthill rose 6 to 93p on the annual results, while F. J. C. Lilley were firm again at 33p, up 2, for a two-day advance of 8. Comment on the record profits helped Manders harden 2 to 49p, but Tarmac cheapened that much to 140p in front of to-day's preliminary results. Richards and Wallington eased a penny to 52p on the disappointing annual figures, while losses of 4 and 5, respectively, were seen in Taylor Woodrow, 308p, and H. and R. Johnson Richards Tiles, 170p.

After the previous day's fall of 7, ICI continued to drift lower and touched 344p before reverting to the overnight level of 349p. Elsewhere in Chemicals, Fisons gave up 3 at 335p but Albright and Wilson improved that much to 98p. Down £3 on Monday on concern about the Ekofisk oil rig blow-out, Norsk-Hydro rallied ¼ to £36.

Television concerns were featured by a late gain of 3 to 27p in Grampian on the good preliminary figures.

Liberty firm

Leading Stores were looking a shade firmer at the close. Ahead of to-morrow's results, Marks and Spencer ended 2 better at 119p, while Burton "A" edged forward a penny to 75p on a chart "buy" signal. UDS were also the turn higher at 72p. Secondary issues were featured by a jump of 50 to 700p in Liberty and a rise of 100 to 700p in the non-voting shares, both in thin markets, with sentiment belatedly reflecting last week's good results. Forminster put on 3 more to 111p as did S. Casket, in 37p, and Home Charm hardened a penny to 86p; the annual figures of the last-named are due to-day. Ellis and Goldstein, on the other hand, eased a shade to 17p on the reduced earnings. Mirroring the sharp profits recovery, Stylo improved 1½ to 31p in Shoes.

A shade easier initially, the Electrical leaders picked up to close with small gains on balance. GEC finished 4 higher at 178p and the Floating Notes traded briskly to a fresh peak of £103¼. EMI ended 3 dearer at 209p, after 204p, and Plessey closed a penny firmer at 68p. Reyrolle, however, gave up 3 to 175p on news of the redundancies at a subsidiary company. Farnell improved 2 further to 130p in response to the preliminary results, rights issue and dividend forecast.

Engineerings were featured by good gains in Hawker and Vickers. The former continued to attract a good demand on the back of last week's excellent results and proposed share subdivision, improving steadily to close 14 up on the day at 580p for a rise over the past six trading days of 72. Vickers encountered support ahead of to-morrow's preliminary figures and closed 10 higher at the day's best of 171p. Elsewhere, Hopkinsons rose 5 to 81p on the increased results while favourable Press mention prompted a gain of 7 to 400p in APV. ML Holdings hardened 5 to 72p and comment on the record profits left Simon 6 higher at 170p. Spencer Gears were only a shade higher at 16p on the sharply increased profits and Clarke Chapman eased 2 to 78p in front of to-day's annual results.

J. Bibby returned to favour in Foods, improving 12 to 145p, after 147p, in active trading on fresh speculation about a forthcoming bid from Tiger Oats. Avana, another takeover favourite, moved up 2¾ to 33½p for a three-day gain of 5¼. Awaiting to-day's preliminary statement, Spillers fluctuated narrowly and closed fractionally firmer at 36p. Brooke Bond eased a penny to 40p on the £19.8m. rights issue proposal.

Hotels and Caterers maintained a firm appearance. Ladbroke rose 3 to 117p following the full report, while Savoy Hotel A, 59p, and Trust Houses Forte, 148p, put on 1 and 2 respectively. Adda International continued firmly, hardening ½ to 23½p for a two-day rise of 3. Reo Stakis, at 23½p, made no apparent response to news of its sale of betting shops to the Tote Bookmakers in a £600,000 deal.

Unilever up

Apart from Unilever, which attracted support and put on 12 to 472p, there was little of interest in the miscellaneous Industrial leaders. Elsewhere, Davies and Newman stood out with a rise of 16 to 102p in response to the preliminary results and proposed one-for-ten scrip issue. On the other hand, J. and L. Randall fell 4 to 46p on the lower profits. AVP continued in demand and rose 6½ more to 71p, while speculative interest revived in Redfearn Glass, 5 dearer at 128p. Buying in an extremely thin market lifted GR Holdings 34p to 340p. Henry Boot, a good market of late, encountered profit-taking and gave up 8 to 110p, while Sears Holdings eased a trifle to 39½p on disappointment with the preliminary figures. Eastern Produce were firm at 67p, up 6, along with Beaston Clarke, which gained 4 to 104p.

Motors and Distributors attracted a reasonable two-way trade. Lucas Industries were finally 3 up at 248p, while Automotive Products, 72p, and York Trailer, 36p, put on 2 apiece. Small buying in a restricted market lifted Lookers 5 to 33p and Lyon and Lyon, ahead of to-day's preliminary figures, edged up 2 to 30p.

Newspapers and Publishers were highlighted by a late flurry of activity in North Sea oil-orientated issues. Thomson rose in inter-office dealings from 503p to 512p, which extended the rise on the day to 17. Associated fared similarly and ended 10 higher at 175p, while Daily Mail "A" were 5 up at 275p.

Shell active

Shell were actively traded in Oils and were run up to 528p on speculative demand aroused by hopes that the company would qualify for exemption from dividend control, but reacted smartly to a close of 514p, up only 4 on balance, following the announcement that the application had been rejected by the Treasury. British Petroleum moved narrowly and closed 2 better at 912p. Elsewhere, LASMO gave up 5 to 305p and Attock 2 to 112p, while Woodside-Burmah fell 6 to 79p on the proposed $A48m. rights issue.

Properties were well to the fore, interest being stimulated by a broker's circular and by the recent reduction in interest rates which should ease the short-term debt burden. Land and House were outstanding at 97½p, up 32½, on news of the agreed bid worth 100p cash from Friends Provident Life Office. Leaders to make headway included Land Securities, 9 to the good at 179p, MEPC, 3 dearer at 86p, and British Land, 2 higher at 42½p. Elsewhere, gains of around 10 were recorded in Great Portland, 228p, Imry, 175p, and United Real, 206p. Haslemere, 188p, and Property Holding, 260p, both improved 8, while Berkeley Hambro were 6 firmer at 91p. Renewed speculative support left Estates and Agency up 3 more at 60p. Bridgewater Estates were barely altered at 222p following the forecast of a substantial increase in the dividend, this being contained in the letter urging shareholders to continue rejecting the bid from Rothschild Investment Trust.

James Finlay stood out in Overseas Traders with a reaction of 9 to 220p, while S. Hoffnung, 75p, and Steel Bros., 290p, lost 4 and 5, respectively. Gill and Duffus, at 225p, gave up 4 of the previous day's gain of 7; the preliminary figures are due on Friday. Harrisons and Crosfield were notably dull at 525p, down 12.

Camellia Investments continued firmly, rising 6 to 230p for a three-day gain of 28. Elsewhere in Investment Trusts, Argo Investments hardened 3 to 108p as did Mooloya to 28p. English and Caledonian attracted an evenly matched business which left the shares unchanged at the overnight level of 89p, speculators still hoping for early news of last week's bid approach.

Common Bros. were again to the fore in Shippings, slipping further to 260p on small selling before rallying strongly on some fairly aggressive demand to close 10 down on the day at 272p.

Textiles closed with modest falls. Carrington Viyella eased a shade to 29p, while Youghal, 60p, and Jerome, 42p, shed 2 apiece. On the bid scene, Slimma eased 3 to 97p in sympathy with a reaction of a penny to 38½p in Tootal.

Teas were featured by strength in Run Estates which improved 7 to 112p on news which included the exemption from U.K. dividend controls owing to the company's status as an overseas operator. Against the trend, McLeod Russel were lowered 5 to 215p on small selling.

Golds ease afresh

The further fall in the bullion price, which was finally $1.25 off at $147.125 per ounce, left prices of South African Golds showing losses of up to a half-point in the heavyweights like Western Holdings, £11¾ while Free State Geduld dropped 48 to 912p and West Driefontein ½ to £13½.

Among the lower priced issues Blyvoor, Buffels and Western Deep were all 15 lower at 280p, 685p and 585p respectively while Welkom dropped 13 to 142p. Gold Mines index gave up 109.0, its lowest level February 18.

Financials generally lost ground reflecting the easier trend in golds and despite the late ... in U.K. equities. Among overseas-based issues "Amgold" were a half-point off at £13 General Mining and Gold ... of South Africa were ... cheaper at £12½ and ... respectively.

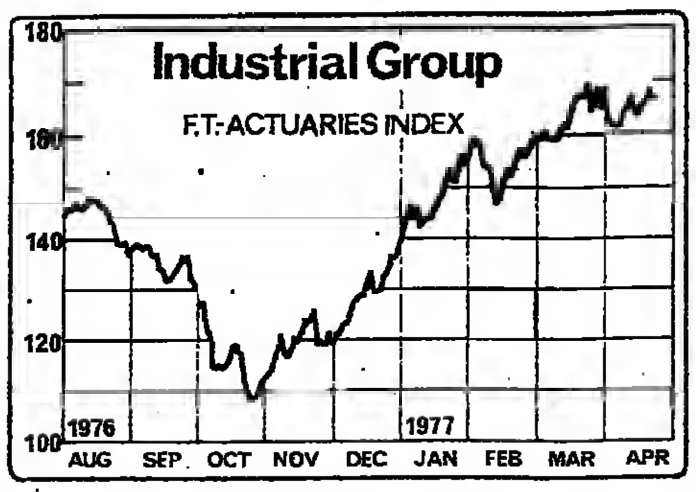
A lone firm spot was "An..." which advanced to a year's ... of 470p following Cape inter...

In the London-registered Financials Rio Tinto-Zinc ca... for further profit-taking ... ing Monday's news that the ... pany had been granted exem... from dividend control; the s... lost 3 to 235p. Gold Fields dr... 6 to 156p in sympathy with bullion price, while Charter ... solidated closed 3 easier at ...

The further decline in the ... price left Coppers a few ... easier with Messina 4 low... 160p and Palabora 10 off at ...

Malaysian-registered Tins, ... ever, improved in line with ... investment premium, Ayer ... being 10 harder at 320p ... Berjuntal 5 up at 480p. In ... trast Beralt Tin and Wolfram ... up a penny to 48½p; the ... results are expected at the ... of the month.

In Australians Conzinc Rio... remained at 300p despite ... chairman's optimistic stateme... the Melbourne meeting, ... speculative buying left ... Creek 15 up at a 1977 hig... 75p.



FINANCIAL TIMES STOCK INDICES

—	Apr. 26	Apr. 25	Apr. 22	Apr. 21	Apr. 20	Apr. 19
Government Secs	68.38	68.61	68.70	68.58	68.20	67.97
Fixed Interest	69.02	69.08	69.49	69.31	69.15	69.02
Industrial Ordinary	421.0	419.0	422.5	418.7	412.5	406.1
Gold Mines	109.0	112.9	113.9	109.6	115.8	118.1
Ord. Div. Yield	5.42	5.46	5.39	5.45	5.54	5.58
Earnings Y'ld % (full)*	16.30	16.40	16.25	16.38	16.71	17.05
P/E Ratio (net) (*)	9.02	8.97	9.06	8.98	8.80	8.59
Dealings marked	5,905	6,506	6,556	5,268	4,732	5,055
Equity turnover £m.	—	52.99	79.98	65.55	62.81	43.39
Equity bargains total	—	17,030	17,850	15,172	12,054	12,463

10 a.m. 416.1. 11 a.m. 415.2. Noon 415.9. 1 p.m. 418.3. 2 p.m. 418.9. 3 p.m. 419.3.

Latest Index 01-246 8026.

* Based on 52 per cent. corporation tax. Nil=8.85.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

—	1977 High	1977 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	70.96 (31/3)	60.45 (4/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	70.76 (1/4)	60.49 (4/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	433.8 (17/3)	357.6 (12/1)	549.2 (14/9/72)	49.4 (26/6/40)
Gold Mines	137.4 (7/3)	95.1 (1/2)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

—	Apr. 26
Daily—	
Gilt-Edged	178.5
Industrials	199.4
Speculative	57.8
Totals	134.4
5-day Av'r'ge	
Gilt-Edged	165.0
Industrials	205.3
Speculative	41.5
Totals	131.9

ENTERTAINMENT GUIDE

OPERA & BALLET

THEATRES

THE ENTERTAINMENT GUIDE IS CONTINUED ON PAGE 35

RECENT ISSUES

EQUITIES

FIXED INTEREST STOCKS

"RIGHTS" OFFERS

ACTIVE STOCKS

OPTIONS TRADED

FT—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section

	Equity groups	Tues. April 26, 1977 Index No.	Day's Change %	Est. Earnings Yield % (Max.) Corp. Tax 52%	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (Net) Corp. Tax 52%	Mon. April 25 Index No.	Fri. April 22 Index No.	Thurs. April 21 Index No.	Wed. April 20 Index No.
1	CAPITAL GOODS (177)	164.94	+0.2	18.24	6.35	8.08	164.60	165.22	163.61	161.27
2	Building Materials (29)	138.22	−0.8	19.38	7.44	7.66	139.30	139.51	139.22	137.23
3	Contracting, Construction (24)	237.81	−0.8	18.87	4.68	8.05	239.74	242.35	240.15	234.46
4	Electricals (16)	322.55	+1.5	17.17	5.05	8.63	317.86	321.21	315.08	308.27
5	Engineering (Heavy) (11)	224.40	−0.5	23.83	5.88	5.74	225.48	221.66	219.98	217.62
6	Engineering (General) (67)	148.05	+0.4	17.47	6.98	8.42	147.49	148.14	146.90	145.43
7	Machine and Other Tools (9)	76.47	+0.2	26.01	7.90	5.86	76.29	76.07	75.40	75.33
8	Miscellaneous (21)	141.03	−0.6	17.74	6.77	8.14	141.81	140.38	139.19	138.45
	CONSUMER GOODS									
11	(DURABLE) (52)	148.36	+0.2	19.03	5.48	7.83	148.06	147.49	146.49	144.70
12	Lt. Electronics, Radio TV (15)	168.89	+0.1	17.21	4.34	8.75	168.76	167.47	166.41	164.11
13	Household Goods (12)	147.83	−0.2	20.98	8.22	6.91	148.07	148.49	148.60	147.07
14	Motors and Distributors (25)	96.06	+0.5	21.27	6.49	6.97	95.60	95.61	94.73	93.74
	CONSUMER GOODS									
21	(NON-DURABLE) (171)	160.49	+0.2	15.11	6.32	9.75	160.23	160.67	160.00	158.14
22	Breweries (15)	163.26	−1.3	15.47	7.36	9.72	165.36	166.02	165.84	165.60
23	Wines and Spirits (8)	180.28	−0.6	14.11	6.29	10.88	181.33	181.42	180.21	176.46
24	Entertainment, Catering (15)	201.07	+0.4	15.52	7.32	9.77	200.23	198.93	197.96	194.26
25	Food Manufacturing (21)	170.31	+0.7	17.79	5.72	8.35	169.20	169.55	169.87	168.28
26	Food Retailing (17)	171.29	−0.1	12.61	4.87	11.49	171.40	171.82	171.43	168.79
32	Newspapers, Publishing (16)	265.55	+2.1	10.04	4.20	15.09	260.13	259.02	253.74	249.77
33	Packaging and Paper (14)	110.80	−0.3	16.99	7.28	9.05	111.10	110.85	110.97	110.11
34	Stores (35)	139.11	+0.7	11.45	5.18	13.48	138.09	139.10	138.00	136.17
35	Textiles (24)	157.26	−0.2	14.12	7.70	11.04	157.60	158.26	157.16	153.87
36	Tobaccos (3)	209.47	−0.5	21.73	8.57	6.11	210.47	211.05	210.47	209.47
37	Toys and Games (5)	86.37	—	19.57	7.45	0.78	86.37	84.63	84.29	83.63
	OTHER GROUPS (98)									
42	Chemicals (27)	223.14	—	10.55	5.32	8.62	223.12	226.19	225.00	221.60
44	Office Equip (6)	89.46	−1.6	18.64	6.32	7.47	90.94	91.21	91.43	90.48
45	Shipping (10)	453.96	—	13.76	5.91	10.07	453.90	458.12	457.04	453.59
46	Miscellaneous (53)	168.04	−0.1	16.69	7.36	8.86	168.24	167.45	166.05	164.78
49	INDUSTRIAL GROUP (498)	167.12	+0.1	16.48	6.28	8.90	166.96	167.57	166.57	164.58
51	Oils (4)	485.72	+0.5	11.41	3.71	10.18	483.53	490.20	478.48	455.33
59	500 SHARE INDEX	192.64	+0.2	15.53	5.73	9.11	192.32	193.40	191.59	187.94
61	FINANCIAL GROUP (100)	128.81	+5.6	—	0.30	—	128.84	128.55	128.17	127.51
62	Banks (6)	146.97	−0.9	28.19	6.54	5.43	148.24	149.01	149.26	148.75
63	Discount Houses (10)	164.54	−1.1	—	0.94	—	166.28	165.85	165.92	164.81
64	Hire Purchase (5)	127.22	−0.1	7.32	5.49	27.63	127.30	126.07	124.88	124.03
65	Insurance (Life) (10)	102.02	−0.1	—	7.93	—	102.15	103.40	102.71	101.52
66	Insurance (Composite) (7)	100.15	+1.0	—	7.53	—	99.16	100.87	101.01	100.73
67	Insurance Brokers (10)	272.42	−0.4	13.44	4.88	11.15	273.52	273.54	272.96	272.81
68	Merchant Banks (15)	64.67	+0.1	—	0.72	—	64.60	64.30	64.19	63.91
69	Property (31)	180.68	+3.9	4.28	3.09	37.24	173.93	170.66	168.21	166.36
70	Miscellaneous (6)	85.45	+1.1	16.78	10.09	9.27	84.56	85.30	83.35	83.58
71	Investment Trusts (50)	166.40	−1.1	3.28	4.83	30.45	168.27	168.20	167.83	166.08
81	Mining Finance (4)	100.01	−1.8	15.29	5.26	7.84	101.86	101.77	101.56	100.92
91	Overseas Traders (18)	267.56	−0.3	16.78	6.28	8.34	268.34	267.76	266.83	262.86
99	ALL-SHARE INDEX (672)	176.78	+0.1	—	5.78	—	176.58	177.41	176.04	173.19

FIXED INTEREST

NEW HIGHS AND LOWS FOR 1977

RISES AND FALLS YESTERDAY

AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

INSURANCE, PROPERTY, BONDS

British Life Office Ltd.♥ (a)
Reliance Hse., Tunbridge Wells, Kt. 0892 22271

British Life	42.7xd	45.2xd	.....	5.89
Balanced*	37.3xd	39.9xd	+0.4	5.73
Dividend*	35.1xd	37.6xd	+0.1	8.69

Prices April 27. Next dealing May 4.

Guardian Royal Ex. Unit Mgrs. Ltd.
Royal Exchange, EC3P 3DN. 01-628 8011

(ag) Guardhill Tst.	71.7	74.3	−0.3	5.18

BASE LENDING RATES

A.B.N. Bank	9 %	■ Hambros Bank	9 %
Allied Irish Banks Ltd.	9 %	■ Hill Samuel	§ 9 %
American Express Bank	9½%	C. Hoare & Co.	† 9 %
A P Bank Ltd.	9 %	Julian S. Hodge	10 %
Henry Ansbacher	9½%	Hongkong & Shanghai	9 %
Banco de Bilbao	9 %	Industrial Bk. of Scot.	9½%
Bank of Credit & Cmce.	9½%	Keyser Ullmann	9 %
Bank of Cyprus	9½%	Knowsley & Co. Ltd.	11 %
Bank of N.S.W.	9 %	Lloyds Bank	9 %
Banque du Rhone S.A.	10 %	London & European	11 %
Barclays Bank	9 %	London Mercantile	9½%
Barnett Christie Ltd.	10½%	Midland Bank	9 %
Bremar Holdings Ltd.	11 %	■ Samuel Montagu	9 %
Brit. Bank of Mid. East	9 %	■ Morgan Grenfell	9 %
Brown Shipley	9 %	National Westminster	9 %
Canada Permanent AFI	9½%	Norwich General Trust	9½%
Capitol C & C Fin. Ltd.	10½%	P. S. Refson & Co.	9 %
Cayzer, Bowater Co. Ltd.	10 %	Rossminster Accept'cs	9½%
Cedar Holdings	12 %	Royal Bk. Canada Trust	9½%
Charterhouse Japhet	9½%	Schlesinger Limited	10½%
C. E. Coates	10½%	E. S. Schwab	11 %
Consolidated Credits	9½%	Security Trust Co. Ltd.	10½%
Co-operative Bank	* 9 %	Shenley Trust	14 %
Corinthian Securities	9 %	Standard Chartered	9 %
Credit Lyonnais	9 %	Trade Development Bk.	9 %
C. R. Dawes	11 %	Twentieth Century Bk.	10½%
Duncan Lawrie	9 %	United Bank of Kuwait	9 %
Eagil Trust	9 %	Whiteaway Laidlaw	10 %
English Transcont.	9½%	Williams & Glyn's	9 %
First London Secs.	9½%	Yorkshire Bank	9 %
First Nat. Fin. Corpn.	12½%		
First Nat. Secs. Ltd.	12½%		
Antony Gibbs	9 %		
Goode Durrant Trust	9 %		
Greyhound Guaranty	9 %		
Grindlays Bank	‡ 9 %		
Guinness Mahon	9½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 4½%, 1-month deposits 4½%.
† 7-day deposits on sums of £10,000 and under 4½%, up to £25,000 5½% and over £25,000 6%.
‡ Call deposits over £1,000 4½%.
§ Demand deposits 6%.

Schroder Life Group♥
Enterprise House, Portsmouth. 0705 27733

Flex. April 19	110.3	116.4	.....	—
Equity April 19		182.7	.....	—
Equity 2 April 19	179.3	188.8	.....	—
Prop. April 19	126.1	132.9	.....	—
Fxd. Int. April 19	129.8	136.6	.....	—
Money Fund	102.8	108.3	.....	—
Deposit April 19	108.9	114.7	.....	—
Pns. Cpt. April 19	157.8	166.2	.....	—
Pen. Acc. April 19	179.9	189.5	.....	—
Exec. Pen. Cap.		111.72	.....	—
Exec. Pen. Acc.		116.93	.....	—
Individual Life Funds				
Fixed Interest	139.8	147.2	.....	—
Equity	107.3	113.0	−0.4	—
Property	127.0	133.7	.....	—
Managed	129.5	136.2	−0.2	—
Money	112.1	118.1	.....	—
K. & S. Gilt Eds.	134.2	137.3	−0.5	—
K. & S. Govt. Sec.	113.3	119.3	−0.5	—
Commodity UT	85.4	90.0	+0.3	—
Growth UT	115.0	122.0	−0.8	—
Capital UT	114.5	120.6	−0.8	—
Income UT	120.3	126.7	−3.1	—
International UT	136.7	143.9	−0.3	—

Scottish Widows' Group
PO Box 902, Edinbrgh., EH16 5BU. 031-655 6000

Inv. Ply. Series 1	87.7	87.7	.....	—
Inv. Ply. Series 2	83.1	87.5	.....	—
Ex. Ut. Tr. Apr. 20	115.1	120.0	.....	—
Mgd. Pens. Apr. 13	207.5	213.2	.....	—

Windsor Life Assur. Co. Ltd.
1 High Street, Windsor. Windsor 68144

Life Inv. Plans	61.3	64.5	.....	—
FutureAssd.Gth(a)		20.0	.....	—
FutureAssd.Gth(b)		43.9	.....	—
Ret. Assd. Pens.		£21.46	.....	—
Flex. Inv. Growth	102.4	107.8	.....	—

NOTES

Prices do not include $ premium, except where indicated ♦, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of U.K. taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ♦. ¶ Guernsey gross. ‡ Suspended. ♦ Yield before Jersey tax.

INSURANCE BASE RATES

† Property Growth	10½%
Cannon Assurance	7 %

† Address shown under Insurance and Property Bond Table.

CORAL INDEX: Close 417-423

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1977 High	Low	Stock	£	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
101 7/16	98⅔	Treasury 11½pc '77‡‡	101⅜	−1/16	11.34	7.89
97½	93 5/16	Treasury 3pc '77‡‡	97½xd	......	3.07	7.70
99 3/16	94 7/16	Transport 4pc '72-77	97⅝	......	4.10	7.78
100 7/16	95⅝	Treasury 9pc 1978‡‡	100 7/16	......	8.96	8.43
102⅛	97⅜	Treasury 10½pc '78‡‡	102⅛	......	10.28	8.61
97¼	90 9/16	Exch. 5pc '76-78	96¾	−⅛	5.17	7.43
103 11/16	95 7/16	Treasury 11¼pc '79‡‡	103⅝	−¼	11.10	9.31
93½	84 11/16	Treasury 3pc '79‡‡	91⅝	−⅛	3.27	6.84
95	85⅛	Electric 4¼pc '74-79	93⅞	−⅛	4.53	7.03
102½	77½	Treasury 10½pc '79‡‡	102 7/16xd	−1/16	18.25	9.37
92¾	84⅞	Electric 3½pc '76-79	91 7/16xd	......	3.81	7.03
100⅝	87¾	Treasury 9pc 1980‡‡	99¾	−⅛	9.02	9.09
100 7/16	88⅝	Treasury 9½pc '80‡‡	100⅛xd	−3/16	9.49	9.46
91	82⅞	Treasury 3½pc '77-80	89⅞	−⅛	3.89	7.16
93	83 3/16	Funding 5¼pc '78-80‡‡	92	−¼	5.71	8.19
109	96 11/16	Exchequer 13pc 1980‡‡	108 3/16xd	−3/16	12.02	10.21
105¼	92 1/16	Treasury 11½pc 1981‡‡	105	−3/16	10.95	9.84
89⅞	77⅞	Treasury 3½pc 1979-81	87⅜	−⅛	4.01	7.35
101 1/16	86 3/16	Treasury 9¾pc 1981‡‡	100 1/16	−⅛	9.74	9.72
109 11/16	100 1/16	Exch. 12¾pc 1981‡‡	109 1/16xd	−¼	11.69	10.22
98⅝	90½	Treasury 8½pc '80-82‡‡	96¼	−¼	8.83	9.50
87⅞	71⅝	Treasury 3pc '82‡‡	85⅞	−⅛	3.49	6.46
115 1/16	101⅝	Treasury 14pc '82‡‡	114 3/16	−3/16	12.27	10.26
		Five to Fifteen Years				
15⅜	14	Exch. 9¾pc 82 £15pd●	14 13/16	−3/16	4.57	10.09
108⅝	95½	Treasury 12pc 1983‡‡	107⅞	−¼	11.26	10.48
87⅝	72⅝	Funding 5½pc '82-84‡‡	84⅞	−¼	6.60	8.84
94¾	77⅞	Treasury 8¼pc '84-86‡‡	92⅛	−¼	9.48	10.27
80¾	66¾	Funding 6½pc '85-87‡‡	76¾xd	−¼	8.46	10.26
85¼	68½	Treasury 7¾pc '85-88‡‡	82¾	−¼	4.59	10.80
61⅛	49⅛	Transport 3pc '78-88	57¼	−¼	5.28	4.30
64¼	53⅞	Treasury 5pc '86-89	60⅞	−¼	8.24	10.81
109⅞	90	Treasury 13pc 1990‡‡	105¾	−⅜	12.73	12.64
82⅛	67⅛	Treasury 8¼ 87 90‡‡	79	−¼	10.86	11.90
63⅞	53¼	Funding 5¾pc '87-91‡‡	60⅝	−¼	4.54	11.55
105¾	91½	Treasury 12¾pc '92‡‡	101⅛	−½	13.04	13.07

Over Fifteen Years

Undated

**INTERNATIONAL BANK

**CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS (Miscel.)

FOREIGN BONDS & RAILS

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

S.E. List Premium 47½% (based on $US1.7180 per £)

Conversion factor 0.6774 (0.6806)

CANADIANS

S.E. List Premium 47½% (based on $1.8018 per £)

BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

INSURANCE

هكذا من الأصل

INDUSTRIALS—Continued

1977 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INSURANCE

1977 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

1977 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Commercial Vehicles

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Components

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Garages and Distributors

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

PROPERTY

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

PROPERTY—Continued

1977 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SHIPBUILDERS, REPAIRERS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SHIPPING

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SHOES AND LEATHER

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SOUTH AFRICANS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TEXTILES

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TOBACCOS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TRUSTS—Continued

1977 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Finance, Land, etc.

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TRUSTS—Continued

1977 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OILS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OVERSEAS TRADERS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

RUBBERS AND SISALS

1977 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TEAS

India and Bangladesh

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Sri Lanka

88	59	Lunuva £1	87		13.58	1.0	6.3

Africa

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MINES

CENTRAL RAND

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

EASTERN RAND

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FAR WEST RAND

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

O.F.S.

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FINANCE

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

DIAMOND AND PLATINUM

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MINES—Continued

CENTRAL AFRICAN

1977 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
64	38	Coronation 25c	48	−2	Q5c	8.4	7.0
130	70	Falcon Rh 50c	107	−3	†Q35c	1.7	32.0
14	9	Rhod'n Corp 16½p	13	.....	0.56	9.3	6.6
165	140	Roan Cons. K4	150	+4	—	—	—
164	135	Tanganyika 50p	136	.....	Q10.0	0.8	7.4
70	70	Do. Pref. 80p	70	.....	Q9	10.2	10.3
35	27	Wankie Col. Rh 1	31	.....	Q7½c	1.5	23.7
27½	16	Zam.Cpr.SBD0.24	17	.....	—	—	—

AUSTRALIAN

1977 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
20	10	Acmex 25c	10	.....	—	—	—
127	58	Bougainville 50 Toea	106	.....	Q10c	1.5	5.9
125	90	BH South 50c	122	.....	—	—	—
300	119	Conzinc Riotinto 50c	300	.....	Q9c	2.3	1.8
50	18	G.M. Kalgoorlie $1	37	.....	—	—	—
98	78	Hampton Areas 5p	82	.....	1.3	5.0	2.4
35	22	Metals Ex. 50c	24	+1	—	—	—
25	13	Metramar 20c	24#	.....	—	—	—
242	188	M.I.M. Hldgs. 50c	234	.....	†Q4½c	1.8	1.2
105	20	Mount Lyell 25c	35	.....	—	—	—
2¼	1½	Newmetal 10c	1½	−⅛	—	—	—
120	86	North B. Hill 50c	116	−3	†Q4½c	b2.6	4.8
7½	4½	Nth. Kalgurli	7	.....	—	—	—
104	87	Oakbridge $A1	102	−1	†Q9c	1.5	5.6
50	20	Pacific Copper	38	.....	—	—	—
£11¾	725	Pancont'l 25c	£11½	.....	—	—	—
11	8	Paringa M&Ex. 5p	8	−¼	—	—	—
485	355	Peko-Wallsend 50c	980	.....	Q15c	2.7	1.9
—	—	Poseidon 50c	75#	.....	—	—	—
9	6	Vultan Min. 50c	8	.....	—	—	—
157	110	Westn. Mining 50c	155	.....	†Q5c	1.3	2.0
75	60	Whim Creek 20c	75	+15	—	—	—

TINS

1977 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
39	22	Amal. Nigeria	23	.....	0.93	0.9	6.3
395	310	Ayer Hitam $M1	320	+10	†23.0	1.4	11.1
49½	25	Berali Tin	48½	−1	74.0	2.8	12.7
485	385	Berjuntai $M25	480	+5	†Q1.5	ϕ	7.8
360	260	Geevor	280	.....	117.87	—	9.8
13	8	Gold & Base 12½p	12	.....	—	—	—
255	213	Gopeng Cons.	213xd	.....	13.0	1.9	9.4
77	72	Hongkong	75	.....	—	—	—
67	60	Idris 10p	60	.....	7.15	ϕ	18.3
10	7	Jantar 12½p	8	.....	—	—	—
49	33	Kamunting 15p	33	.....	22.5	1.2	11.7
340	260	Killinghall	340	.....	Q50.0	ϕ	14.7
255	223	Malay Dredging	223	.....	11.0	1.1	7.6
—	—	♦Pahang	27#	.....	†Q2.5	0.5	9.2
52	50	Pengkalen 10p	51xd	.....	5.5	1.3	16.6
155	133	Petaling $M1	155	.....	Q12½c	10.9	2.0
51	35	Saint Piran	45	.....	‡1.56	2.5	5.3
105	77	South Kinta 10p	77	.....	7.5	0.6	15.0
205	150	Sthn. Malayan	152	.....	11.8	1.1	11.9
65	57	Sungei Besi $M1	64	−1	—	—	—
♦37	19	Supreme Corp. $M1	33	.....	ZQ10	—	7.5
55	42	Tanjong 15p	50	.....	4.64	h1.8	14.3
67	45	Tongkah Hrbr. $M1	63	.....	Q11.7½	0.3	6.7
115	93	Tronoh $M1	110	.....	†4.29	2.0	6.0

COPPER

1977 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
198	145	Messina R0.50	160	−4	Q45c	2.8	18.8

MISCELLANEOUS

1977 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
9½	9	Burma Mines 17½p	9½	.....	—	—	—
29	18	Charterhall 5p	26½	−½	—	—	—
107	58	Colby Mines $C1	97	.....	—	—	—
600	425	Cons. Murch. 10c	455	+5	Q140c	1.4	20.6
440	355	Northgate C$1	400	+10	—	—	—
245	173	R.T.Z.	235	−3	8.0	q3.1	5.4
70	44	Sabina Inds. C$1	44	−3	—	—	—
£14⅞	£11⅛	Tara Exptn. $1	£19¾	+⅛	—	—	—
53	34	Tehidy Minerals 10p	43	.....	1.19	ϕ	4.3
160	123	Yukon Cons. C$1	157	+2	Q6½c	ϕ	1.6

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- ♠ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents
- ϕ Figures or report awaited.
- †† Unlisted security.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ‡ Regional price.
- ¶ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend. P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. D Cover and P/E ratio exclude profits of U.K. aerospace subsidiaries. E Issue price. F Dividend and yield based on prospectus or other official estimates for 1977-78. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1976-77. K Figures based on prospectus or other official estimates for 1976-77. M Figures based on prospectus or other official estimates for 1976. N Dividend and yield based on prospectus or other official estimates for 1976. P Dividend and yield based on prospectus or other official estimates for 1977. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

"Recent Issues" and "Rights" Page 34

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £325 per annum for each security

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or −
Albany Inv. 20p	20	.....
Ash Spinning	40	.....
Bertam	17	.....
Bdg'wtr Est. 50p	222	−1
Clover Croft	21	.....
Craig & Rose £1	360	.....
Dyson (R.A.)	22	.....
Ellis & McHdy	59	.....
Evans Fr'k 10p	52	−2
Evered	11	.....
Fife Forge	65	.....
Finlay Pkg. 5p	20½	.....
Graig Ship. £1	530	−5
Hallam Sleigh 10p	9½	.....
Higsons Brew	80	.....
I.O.M. Stm. £1	155	+2
Holt (Jos.) 25p	213	.....
Kleen-e-Ze	42	.....
Lovell's Ship £1	180	.....
N'thn Goldsmith	26	.....
Pearce (C. H.)	100	.....
Peel Mills	13	.....
Robb Caledon 5p	87	+½
Sayers 12½p	32	.....
Sheffield Brick	95	.....
Sheff. Refrshmt.	160	.....
Shiloh Spinn	21	+1
Sindall (Wm.)	56	.....

IRISH

Stock	Price	+ or −
Conv. 9% '80/82	£93	−¼
Alliance Gas	42	.....
Arnott	245	.....
Carroll (P.J.)	86	.....
Clondalkin	91	.....
Concrete Prods.	75	.....
Heiton (Hldgs.)	27	.....
Ind. News	55	.....
Ins. Corp.	120	.....
Irish Distillers	52	.....
Irish Ropes	125	.....
Jacob	43½xd	.....
Sunbeam	17½	−½
T.M.G.	132	+2
Unidare	60	.....

OPTIONS

3-month Call rates

Industrials

Stock	Rate
A. Brew	6½
A.P. Cement	18
B.S.R.	10
Babcock	8
Barclays Bank	25
Berry Wiggins	5
Beecham	32
Boots Drug	12
Bowaters	16
B.A.T.	21
British Oxygen	6
Brown (J.)	17
Burton 'A'	6
Cadburys	5
Cavenham	20
Courtaulds	10
Debenhams	8
Distillers	13
Dunlop	8½
Eagle Star	11
E.M.I.	20
Gen. Accident	17
Gen. Electric	17
Glaxo	36
Grand Met.	7
G.U.S. 'A'	18
Guardian	18
G.K.N.	25
Hawker Sidd.	40
House of Fraser	8
I.C.I.	25
"Imps"	7
I.C.L.	14
Inveresk	7
Ladbroke	11
Legal & Gen.	12
Lex Service	5
Lloyds Bank	22
"Lofs"	5
London Brick	5
Lonrho	8
Lucas Inds.	20
"Mams"	7
Mrks & Spncr	10
Midland Bank	25
Nat. West Bank	22
Do. Warrants	9
P & O Dfd.	12
Plessey	7
R.H.M.	5
Rank Org. 'A'	18
Reed Intl.	20
Rerrolle	12
Spillers	4
Tesco	4
Thorn 'A'	22
Trust Houses	13
Tube Invest.	30
Unilever	40
Utd. Drapery	7½
Vickers	15
Woolworths	6

Property

Stock	Rate
Brit. Land	3½
Cap. Counties	3
E.P.	5
Intreuropean	7
Land Secs.	14
MEPC	7
Peachey	6
Samuel Props.	4½
Town & City	1½

Oils

Stock	Rate
Brit. Petroleum	60
Burmah Oil	8
Shell	20
Ultramar	14

Mines

Stock	Rate
Charter Cons.	15
Charterhall Fin.	4
Cons. Gold	15
Rio T. Zinc	13

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES
Wednesday April 27 1977

OVERALL TREND PUZZLES WHITEHALL

Jobless increase only slight

B PETER RIDDLE, ECONOMICS CORRESPONDENT

THE NUMBER of people out of work in the U.K. increased very slightly last month after falling in the previous two months. The unemployment total has hardly risen since early last autumn, contrary to almost all projections and economic forecasts.

Adult unemployment, excluding school-leavers, in the U.K. rose by 1,500 to 1.32m., seasonally adjusted, in the month to mid-April. This is equivalent to 5.6 per cent. of the workforce.

The total is about 3,000 lower than in mid-December, and only 4,000 higher than last September.

Mr. Albert Booth, the Employment Secretary, said yesterday that the figures continued "to show an encouraging trend despite recent pessimistic forecasts. There is some comfort, too, in the rising vacancies figures."

Notified vacancies, which have traditionally been regarded as a forward indicator of changes in the labour market, have risen by 1,200 to 158,500, seasonally adjusted, during the last month, and have increased by a quarter since last autumn.

This trend, coupled with the evidence over a period of several months of a stabilisation in the level of unemployment, has clearly been puzzling Whitehall as the growth in economic output has been very slow, and well below the underlying long-term growth of productive capacity.

One explanation is that the Government's various job preservation and creation measures are having a considerable effect. About 303,000 people are being assisted by the eight different employment and training measures and it is estimated that without them unemployment would be roughtly 200,000 higher.

But this cannot account for the rise in vacancies, which may reflect a start to rehiring after the earlier increase in overtime working.

It appears that Government action as well as the depth and length of the recession have altered certain traditional relationships in the labour market. The corollary, however, is that labour productivity is growing at a much slower rate than is normal at this stage in an economic revival.

The official view remains that the long-term trend in unemployment is still upwards. This is against the background of a projected rise in gross domestic product of 1.5 per cent. in real terms in the year to the first half of 1978 and a 150,000 rise in the potential labour force in the next year.

It is possible that unemployment may start to climb slowly again during the next few months, especially if the Government's job measures have now reached a peak.

The latest figures are obviously helpful to the Government in their talks with the TUC, although Mr. David Basnett, the general secretary of the General and Municipal Workers' Union, yesterday called for more Government action.

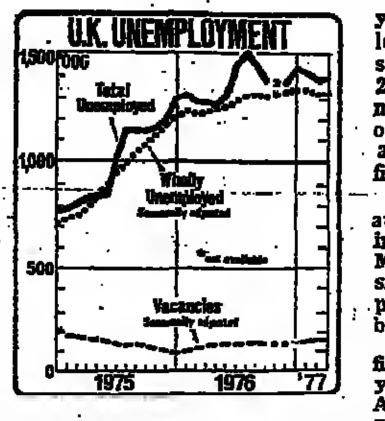
Mr. Booth noted that the "most worrying aspect" of the figures was the impact of this year's first batch of school-leavers. Unemployment among school-leavers has risen by 20,233 to 53,571 in the last month and accounts for a rise of more than 8,800 in the adjusted U.K. unemployment figure to 1.39m.

The Government is looking at a number special measures in this area and yesterday the Manpower Services Commission discussed a report on a package of schemes, which will be discussed within Whitehall.

The highest unemployment figure for school-leavers last year was 208,000 in July. Although this fell rapidly, the prospects for this year's school-leavers are no brighter than last summer.

Mr. Booth has said he wants to aim at a position where everyone leaving school has the choice of a job, training, the job creation programme or the work experience scheme.

The main impact of school-leavers on the register will not come until the mid-June count.



Kuwait has big stakes in U.K. finance houses

BY KEITH LEWIS

THE Kuwait Investment Office has built up substantial stakes in leading British financial institutions, according to the office's disclosures of its holdings of more than 5 per cent. in U.K. quoted companies.

The disclosures are required by section 26 of the Companies Act, 1976, which came into effect 10 days ago.

The total holdings in all sectors, so far disclosed by the office, amount to about £82.5m. at yesterday's closing prices.

Most of the institutions involved were aware of the Arab stake. This applies to Guardian Royal Exchange, the largest holding so far declared—in cash terms—Legal and General and Alexander Howden.

However, Trafalgar House, the property, shipping and construction group, expressed surprise at the extent of the holding.

Mr. Nigel Broackes, chairman, said that he "knew that the Arabs had been supporters of Trafalgar and I would have guessed the holding to have been around 3m. shares." The holding emerges at 8.9m. shares.

One of the more interesting holdings is the 9.67 per cent. in Union Discount, worth £2.36m. The Bank of England said that the holding had been acquired with the full knowledge and approval of the Bank.

Other notable holdings in the financial sector include the Bank of Scotland, where there is a stake of 5.8 per cent. worth £4.4m., Sun Life Assurance, in which there is a 9.1 per cent. holding valued at £3.4m.

Name	% holding	value (£ms)
Guardian R. E.	5.9	13.83
Trafalgar House	5.6	10.41
Legal & General	6 2	10.13
Alexander Howden	8.4	8.41
Nat. & Commercial Banking	5.8	8.16

Investment trusts

The Arab holding in Stenhouse, the insurance broking and industrial group, amounts to 6.9 per cent. of the capital, worth more than £2.5m. A block of 3.17m. shares in Provident Financial, the check trading company, also is revealed.

The office has shown a taste for investment trusts—seven of the 20 holdings disclosed are in this sector. The largest is £2.2m. worth of shares in Caledonia Investments.

Others, between £1m.-£2m. each are in London Scottish American (5.1 per cent.), Romney (5.8 per cent.) and Lake View (5.5 per cent.). Those worth less than £1m. include London and Montrose, London and Strathclyde and Cardinal.

The largest industrial holding disclosed is the 9.05 per cent. stake in Averys, the weighing and measuring machines company. The 3.34m. shares involved have a market value of £4.7m.

A stake of just less than 10 per cent. of Decca Ordinary shares — the larger market is in the A shares which do not carry votes — is worth £2.25m. An investment of £1.7m. has been made in a 7.94 per cent. stake in BBA Group.

More disclosures, Page 25

BBL payout should be up

BRUSSELS, April 25.

BANQUE BRUXELLES LAMBERT SA said its dividend for the year ended March 31 should be higher than the previous Frs.40 net paid.

It gave figures in a report to shareholders on its previously announced proposed Frs.3bn. capital rise to Frs.7bn., but company sources said net profits would be well up on the Frs.265m. for 1975-76.

Balance sheet total for last year rose between 15 and 16 per cent. on the previous Frs.381bn. A decision on the capital rise was postponed until May 11.

Reuter.

Kirkby co-operative offered further £860,000 grant

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE GOVERNMENT has ignored a recommendation by its Industrial Development Advisory Board that there should be no more financial support for the workers' co-operative at Kirkby and has offered a further grant of £860,000

r M. Eric Varley, Industry Secretary, last night made it clear that the cash was being offered to preserve the 775 jobs involved.

Kirkby now known as Kirkby Manufacturing and Engineering Company, is based on Merseyside where the unemployment rate is running at more than 10 per cent.

Mr. Varley also indicated that this was the last tranche of Government money which Kirkby would need—it first received a grant of £3.9m. in January 1975 when Mr. Tony Benn was Industry Secretary.

"The members of the co-co-operative believe that with this assistance they can succeed and their representatives have assured me that they will not have to apply for any furthter Government assistance in future." Mr. Varley said in a written Parliamentary reply.

"I have consulted the Industrial Development Advisory Board who did not recommend support since the proposal does not compaly with the criteria for selective financial assistance laid before the House in January 1976.

"However, in view of the present severe and increasing unemployment in Kirkby, I have decided to offer financial support."

The Industrial Development Advisory Board opposed the first grant to Kirkby in 1975 on the grounds that the venture had no chance of being commercially successful because it was overmanned and because its mixture of products was not an easy one from which to make money.

Kirkby makes domestic radiators, car components, soft drinks and fruit juices.

The Government decision to support the co-operative was also criticised by the Parliamentary Committee of Public Accounts when its report was published last October.

Apart from £4.76m. of grants, which do not have to be repaid and attract no interest payments, Kirkby has also been receiving other help in the form of employment subsidies.

In January, Kirkby said it would be in profit this spring and it has been expanding recently. But because of its unusual history it has difficulty in finding loans from normal commercial sources.

THE LEX COLUMN

Brooke Bond lead the tea leaves

Interest rates are continuing to move lower in the money markets and Treasury bill rates are pointing to a quarter point fall in MLR on Friday. The last time MLR was at these levels inflation was running at an annual rate of around 8 per cent. Prices are now rising roughly twice as fast and inflationary fears are reflected in the way that the yield curve is now steeper than it has been for two years. Short gilts are yielding one-and-a-half points more than MLR, whereas only a few months ago they were yielding three-quarters of a point less.

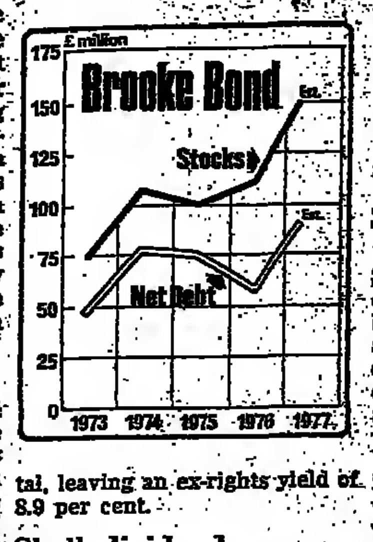
Brooke Bond

The upsurge in tea and coffee prices is having an explosive impact on Brooke Bond's profits —and it working capital requirements. Profits for the year to June are now expected to jump from £26.9m. to at least £48m., and net cash flow could double to around £35m. But after allowing for spending on fixed assets, the remaining £20m. or so is not going to be nearly enough to finance a rise of perhaps £60m. in net working capital over the year.

Hence the rights issue, the second in 16 months, which will raise nearly £20m. of new equity. Net borrowings have already risen by perhaps £30m. this year, and stocks could rise by a further £35m. if the tea price stabilises at around its current level. Before that happened, Brooke Bond might be tempted to risk the consistency of its blends by cutting back on tea stocks, and it is already looking for improved credit from its suppliers. But for the moment, a rights issue looks like a necessary precaution.

The package left the shares 1p lower at 49p yesterday, even though the profits forecast is about a sixth higher than the most optimistic of the brokers' recent forecasts. Although the potential impact of the higher commodity prices will be by no means fully reflected in the 1976-77 figures, this wary reaction by the stock market is understandable. There must be a risk that margins will come under pressure, both in the plantations (where profits this year could be treble the £6m. or so of 1975-76) and at the retail end. Brooke Bond needs higher profits, and it also has to keep an eye on pressures from the consumer. So the dividend is only to go up by 10 per cent. on the enlarged capital, leaving an ex-rights yield of 8.9 per cent.

Index rose 2.0 to 421.0



Shell dividend

The idea that Shell was on the point of being exempted from dividend controls because so much of its business is overseas sent the shares up by as much as 20p to 528p at one point yesterday, in active trading. But after hours came the news that a request for exemption had been turned down by the Treasury, which means that the backlog of undistributed dividends built up under the sharing arrangement with Royal Dutch — amounting to over 20p per share — remains out of the reach of shareholders. The price promptly dropped back to 512p.

Since assets are just as important as earnings when it comes to exemption, it would have been very surprising if the Treasury had come to any other decision. Shell does not disclose the size of its U.K. assets: the nearest it gets is to show that Europe make up 50 per cent. of the Royal Dutch/Shell Group's net assets. But they clearly represent a significantly higher proportion of the total than has been the case with other groups which have gained exemption for this reason — especially when the fact that two-fifths of its owned fleet sails under the British flag is taken into account.

Even if this were not the case, it should be remembered that the guidelines are not hard and fast rules. The absolute size of a multinational's U.K. business (and its political exposure?) must also count for something.

Meanwhile, there is some rather brighter news for Shell

Barre tells of £480m. employment package

By Robert Mauthner

PARIS, April 25

M. RAYMOND BARRE the French Prime Minister, today presented to the National Assembly a Frs.4bn. (about £480m.) plan aimed mainly at reducing the high rate of unemployment, which is generally held responsible for the government's severe defeat at the recent municipal elections.

This is the second major attempt by M. Barre to rescue the Government's sinking fortunes with an economic package.

The measures, in conjunction with M. Barre's first and more substantial economic stabilisation plan of last September, are clearly intended to produce a general improvement in the economy in time for the next General Election, due in the spring of next year. But the Prime Minister remained true to his word, and ruled out reflationary policies for the rest of this year.

He devoted practically the whole of his declaration on the policies of the Government, formed last month, to what he described as "a national employment pact" which will benefit mainly the young.

The Government is asking Parliament for a vote of confidence on its plan, which includes a rise in family allowances and pensions, and is to be financed by higher petrol prices and the floating of a Frs.6bn. long-term State loan. The vote is expected to be held on Thursday.

M. Barre's new measures were sharply criticised by M. François Mitterrand, leader of the opposition Socialist Party, who described them as an indication that the Government's previous economic plans had failed.

In spite of all his efforts and promises, M. Barre had failed to bring inflation under control, had not succeeded in balancing the trade account, was running a large Budget deficit, and had provoked the hostility of the workers by his employment policies, M. Mitterrand said.

The Prime Minister admitted that unemployment, running at above the 1m. mark, was "a black spot" on the country's economy which, on the whole, had improved steadily since his first stabilisation plan.

Parsons makes 1,600 redundant

BY MAX WILKINSON

THE NEWCASTLE turbine-generator maker C. A. Parsons yesterday announced 1,600 redundancies which will be phased until the end of next year

The company said that it could delay no longer in the hope that the Government would secure the placing of a new order for the Drax B power station near Selby.

At the same time the company made its first public statement on the possibility of a merger of its turbine-generator interests with those of General Electric Company.

Parsons said that no negotiations had taken place. But it laid down some of the conditions which have undoubtedly been put to the Government during the recent round of discussions.

"The conditions would include acceptance by both management and labour as stated in the Central Policy Review Staff (Think Tank) report; equitable security of employment between the respective manufacturing units; recognition of technology at Parsons; the placing of the turbine generator order for Drax B with Parsons; and the payment of a reasonable price for the business."

This is the first indication that the main board of Reyrolle-Parsons, which owns C. A. Parsons, is seriously thinking of disposing of the business. Negotiation on the price have not yet taken place but it is believed that Reyrolle Parsons would be thinking of about £10m.

The main stumbling block could be the attitude of the Parsons unions. They have expressed strong and continuing opposition to a takeover by GEC. On the other hand the GEC unions are opposed to a deal which would, in effect, transfer redundancies from the North East to GEC at Rugby, Trafford or Larne in Northern Ireland.

Both groups of unionists are engaged in intensive lobbying of their MPs and of Ministers. The North-East group has been rather more in evidence, perhaps because it faces more imminent redundancies.

GEC has told the Government firmly that it could not agree to a formula by which either Parsons or the National Enterprise Board became partly responsible for factories at present managed by GEC.

It is prepared to agree to a merger only if it is controlled by GEC. But various interim schemes have been suggested in which the Enterprise Board would act as a midwife, perhaps by buying Parsons for a temporary period.

The Civil Service and the Cabinet Energy Committee have largely accepted the GEC case. They have been persuaded that the industry can only compete for large export orders if it is backed by a company with the financial and managerial muscle which GEC can deploy.

GEC is prepared to keep most of Parsons' present management team together and to make it an independent profit centre in the company. The company believes satisfactory terms can be agreed with Parsons and is making it clear that it does not wish to be party to a shotgun marriage.

Callaghan and Foot in talks on London Evening papers

THE FUTURE of the two London evening newspapers is to be discussed by Mr. James Callaghan and Mr. Michael Foot, Leader of the Commons, when the Prime Minister returns from a visit to West Germany.

Mr. Foot, a former editor of the London Evening Standard, made a statement to the Commons yesterday about the talks after increasing protests from print workers' and journalists' unions about proposals for Beaverbrook Newspapers to sell the Evening Standard to Associated Newspapers, publisher of the Evening News.

Journalists at the Evening News have called a disruptive meeting for 9 a.m. to-day to try to force their management to tell them more about the projected merger of the newspaper with the Standard.

The meeting will be a continuation of one called yesterday, which did not prevent publication of the News.

A statement on the future of the two newspapers is expected to-morrow from the two publishers. Yesterday, Beaverbrook was still denying that any deal had been signed.

On Monday, Mr. Vere Harmsworth, chairman of Associated, issued a statement giving detailed ideas about a new London evening newspaper which could be formed from a merger of the News and Standard.

Up to 2,000 journalists and print workers stand to lose their jobs as a result of the merger. Redundancy payments are expected to amount to between £7m. and £8m.

Associated Newspapers is already drawing up a list of who should be offered jobs in the new evening newspaper, which is expected to look similar to the Daily Mail.

Senior executives in both companies believe that the merger of the two London evenings is a prelude to a complete merger involving the Daily and Sunday Express and the Daily Mail.

Yesterday, Mr. Roy Hattersley, Prices Secretary met union representatives to explain his powers to prevent a merger. The discussion was confined to a fairly formal statement of the legal position, since no specific proposals have yet been put to Mr. Hattersley.

Under the Fair Trading Act, 1973, Mr. Hattersley would have to give his permission for the merger. He would first have to refer the proposal to the Monopolies Commission unless he believed that the newspaper being transferred (the Evening Standard) was not economic as a going concern or that the newspaper was not intended to continue as a separate newspaper or that the case was one of urgency.

Parliament, Page 14

Continued from Page 1

Ekofisk capping

the platform, was forced to pull away, and it appeared that no more work could be done to-day on preparing the blown-out well head for the vital capping operation.

But, for the first time, important breakthroughs were achieved in the attempt by the company to seal off the riser. Phillips still is optimistic that the well can be capped soon, perhaps to-morrow or Thursday, if weather permits.

Water and air hoses were installed on Bravo to clear the working area and make it safer. Work was carried out on the blow-out preventer. According to Phillips, blind rams, which will be used later to shut off the well head riser hydraulically, were installed and bolts on the lower spool-piece were tightened.

Some valves have been located on the well head structure. But bolts had not been secured when work was brought to a halt by the increasingly dangerous conditions.

Mr. Gordon Goering, Phillips manager for the Ekofisk area, said that two or three clear working days were needed before the well could be successfully killed. The original plan was to carry out as much preliminary clearing work to-day as possible to allow the well to be capped to-morrow.

Now, the Red Adair blow-out men and Phillips engineers at the Ekofisk field must wait aboard the Cheetaw to see if the delicate balance of weather conditions will allow an early resumption of work.

Early to-day, winds were blowing at an acceptable 22 to 24 knots and waves were reaching a height of four to six feet. But the sudden calm ended all progress this afternoon.

However, operations to deal with the ever-growing oil slick gained from the lull and a flotilla of up to 12 boats began laying plastic booms around sectors of the slick. The oil concentrated inside the booms is being skimmed off and scooped into storage tanks aboard supply vessels.

A prototype Norwegian skimmer was rushed into action to-day and booms of varying lengths between 250 and 300 metres from Sweden and Britain are being used.

Weather

U.K. TO-DAY

SHOWERS, heavy at times.

London, S.E., E., Cent. S. and Cent. N. England, E. Anglia, Midlands

Sunny spells. Showers developing. Wind W., moderate. Max. 13C (55F).

Channel Is., S.W. England, S. Wales

Occasional showers. Wind W., moderate. Max. 12C (54F).

N. Wales, N.W. England, Lakes, I. of Man

Sunny intervals. Showers Local thunder. Wind S.W., fresh. Max. 11C (52F).

N.E. England, Scotland N. Ireland

Sunny spells, showers, wintry in places. Wind S.W., fresh. Max. 12C (54F).

Outlook: Little change.

BUSINESS CENTRES

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Amstdm.	C	15	59	Luxemb'g	F	16	61
Athens	S	19	66	Madrid	C	21	70
Bahrain	S	31	88	Manchestr.	C	7	45
Barcelona	S	20	68	Melbourne	C	16	61
Beirut	F	22	72	Milan	S	20	68
Belfast	R	9	48	Montreal	S	10	50
Belgrade	S	15	59	Moscow	C	12	54
Berlin	R	15	59	Munich	F	17	61
Brmnghm.	R	7	45	Newcastle	F	12	54
Bristol	R	8	46	New York	R	10	50
Brussels	F	16	61	Oslo	C	6	43
Budapest	F	15	59	Paris	F	18	64
B. Aires	S	24	75	Perth	C	26	79
Cairo	S	30	86	Prague	F	14	57
Cardiff	R	8	46	Reykjavik	C	6	43
Cologne	C	17	63	Rio de J'o	C	25	77
Copenhagn.	C	11	52	Rome	S	20	68
Dublin	F	10	50	Singapore	S	33	91
Edinbrgh.	F	12	54	Stockholm	R	7	45
Frankfurt	C	17	63	Strasbg.	F	[illegible]	[illegible]
Geneva	[illegible]	[illegible]	[illegible]	Sydney	[illegible]	[illegible]	[illegible]
Glasgow	[illegible]	[illegible]	[illegible]	Tehran	[illegible]	[illegible]	[illegible]
Helsinki	[illegible]	[illegible]	[illegible]	Tel Aviv	[illegible]	[illegible]	[illegible]
H. Kong	[illegible]	[illegible]	[illegible]	Tokyo	[illegible]	[illegible]	[illegible]
Jo'burg	[illegible]	[illegible]	[illegible]	Toronto	[illegible]	[illegible]	[illegible]
Lisbon	[illegible]	[illegible]	[illegible]	Vienna	[illegible]	[illegible]	[illegible]
London	[illegible]	[illegible]	[illegible]	Warsaw	[illegible]	[illegible]	[illegible]
				Zurich	[illegible]	[illegible]	[illegible]

HOLIDAY RESORTS

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Ajaccio	[illegible]	[illegible]	[illegible]	Istanbul	[illegible]	[illegible]	[illegible]
Algiers	[illegible]	[illegible]	[illegible]	Jersey	[illegible]	[illegible]	[illegible]
Biarritz	[illegible]	[illegible]	[illegible]	Las Plms.	[illegible]	[illegible]	[illegible]
Blackpool	[illegible]	[illegible]	[illegible]	Locarno	[illegible]	[illegible]	[illegible]
Bordeaux	[illegible]	[illegible]	[illegible]	Luxor	[illegible]	[illegible]	[illegible]
Boulogne	[illegible]	[illegible]	[illegible]	Majorca	[illegible]	[illegible]	[illegible]
Casablanca	[illegible]	[illegible]	[illegible]	Malaga	[illegible]	[illegible]	[illegible]
Cape Town	[illegible]	[illegible]	[illegible]	Malta	[illegible]	[illegible]	[illegible]
Corfu	[illegible]	[illegible]	[illegible]	Nairobi	[illegible]	[illegible]	[illegible]
Dubrovnik	[illegible]	[illegible]	[illegible]	Naples	[illegible]	[illegible]	[illegible]
Faro	[illegible]	[illegible]	[illegible]	Nice	[illegible]	[illegible]	[illegible]
Florence	[illegible]	[illegible]	[illegible]	Oporto	[illegible]	[illegible]	[illegible]
Funchal	[illegible]	[illegible]	[illegible]	Rhodes	[illegible]	[illegible]	[illegible]
Gibraltar	[illegible]	[illegible]	[illegible]	Salzburg	[illegible]	[illegible]	[illegible]
Guernsey	[illegible]	[illegible]	[illegible]	Tangier	[illegible]	[illegible]	[illegible]
Innsbruck	[illegible]	[illegible]	[illegible]	Tunis	[illegible]	[illegible]	[illegible]
Inverness	[illegible]	[illegible]	[illegible]	Valencia	[illegible]	[illegible]	[illegible]
Isle of Man	[illegible]	[illegible]	[illegible]	Venice	[illegible]	[illegible]	[illegible]

S—Sunny. F—Fair. C—Cloudy. R—Rain. T—Thunder.

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